

JPRS-WER-85-071

30 August 1985

# West Europe Report



FOREIGN BROADCAST INFORMATION SERVICE

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

30 August 1985

## WEST EUROPE REPORT

## CONTENTS

## POLITICAL

## EUROPEAN AFFAIRS

Political Refugees Increasingly Unwelcome in Nordic Countries (DAGENS NYHETER, 4 Aug 85).....	1
Nordic Climate Cool to Foreigners	1
Vietnamese in Denmark, by Bo Engzell	1
Greek in Finland, by Wolfgang Hansson	3
Pakistanis in Norway, by Bjorn Lindahl	5
Chilean in Sweden, by Karin Lindgren	6
Finnish Immigration Policy Is Toughest, by Bjorn Jerkert	8

## BELGIUM

Goor on Brussels Structures, PSC Chances (Mme Cecile Goor Interview; LA LIBRE BELGIQUE, 29/30 Jun 85).....	11
Flemish Employers on Regionalization Reforms (LE SOIR, 12 Jul 85).....	15
Nothomb Defends Conduct, Refusal to Resign (Charles-Ferdinand Nothomb Interview; LE SOIR, 16 Jul 85).	17
PSC's Lefevre on View of Wallonia's Future (Jacques Lefevre; LE SOIR, 23 Jul 85).....	20

## DENMARK

Contending Issues, Parties in November Municipal Elections (BERLINGSKE TIDENDE, various dates).....	22
Schluter Fiscal Policies Factor, Editorial	22
Fifteen Parties Expected, by Thorkild Dahl	23

Humanist Party Program Examined	24
Conservatives Seen Big Winner	26
FINLAND	
Eureka Project Participation Complicated by COCOM, USSR (Heikki K. Auvinen; HUFVUDSTADSBLADET, 15 Jul 85).....	28
Veteran Statesman Says Sorsa To Blame for Tilt Eastward (Erik Appel; HUFVUDSTADSBLADET, 24 Jul 85).....	33
FRANCE	
Marchais on PSF Actions, Friction With PCF (Georges Marchais; L'HUMANITE, 11 Jul 85).....	37
Poll Examines Causes for Drop in Mitterrand Popularity (LIBERATION, 3, 4 Jul 85).....	40
SOFRES Poll Overview, by Jean-Michel Helvig	40
Poll Results, by Eric Dupin	43
Editor Views Results, by Serge July	55
Dupin Analyzes Poll, by Eric Dupin	58
Chirac Views Election Issues, Prime Minister, PCF (Jacques Chirac Interview; SUD-OUEST, 28 Jun 85).....	61
Chirac on Constitutional Issues, Legislative Elections (Marie Guichoux; LIBERATION, 29-30 Jun 85).....	65
Giscard, Leotard Views on Constitutional Issues Examined (Eric Dupin; LIBERATION, 29-30 Jun 85).....	68
UDF Proposals for Media Regulation Viewed (Philippe Gavi; LIBERATION, 29-30 Jun 85).....	71
Tactics, Character of Leotard, Other 'Young Lions' Viewed (Klaus Huwe; RHEINISCHER MERKUR/CHRIST UND WELT, 6 Jul 85).	74
Leroy on PSF Statements, Move to Right (L'HUMANITE, 8 Jul 85).....	77
PCF Commentary on Franco-German Cooperation, Defense (Yves Moreau; L'HUMANITE, 9 Jul 85).....	79
Krasucki Pushes for More Militant Actions (Henri Gibier; LE NOUVEL ECONOMISTE, 5 Jul 85).....	81
GREECE	
USSR Reportedly Attempts To Limit Defector's Damage (Ap. Apostolopoulos; MESIMVRINI, 18 Jul 85).....	84



Military, Other Implications of Soviet Defector's Disclosures (Kh. K. Bousmbourelis; TO VIMA, 21 Jul 85).....	86
Nation Reportedly Standing on Threshold Between Old and New (Panos Loukakos; ENA, 4 Jul 85).....	88
Behind-the-Scene Comments on New Government Appointments (I KATHIMERINI, 28-29 Jul 85).....	90
Comments on 'Troika's' Responsibilities in New Government (I VRADYNI, 28 Jul 85).....	91
Questions Asked on Papandreou-Sartzetakis Relations (I VRADYNI, 29, 30 Jul 85).....	93
Papandreou's Ulterior Motives	93
Government Statement	93
Opposition Daily Scores Ambassador Keeley's Statements (G. Karagiorgas; I KATHIMERINI, 2 Aug 85).....	95
Briefs	
Defector's Reports	97
Reportedly Inhospitable Military	97

#### NETHERLANDS

Maneuvering in Labor Party To Succeed Den Uyl (Kees van der Malen; NRC HANDELSBLAD, 5 Jul 85).....	98
---	----

#### PORTUGAL

Military Cooperation With Mozambique Considered (Augusto de Carvalho; EXPRESSO, 6 Jul 85).....	100
Scenario for Election Timetable Until January 1986 (TEMPO, 5 Jul 85).....	102
Poll Results: Freitas do Amaral Victory If Elections Today (O JORNAL, 28 Jun-4 Jul 85).....	105
May Poll Shows Pintasilgo Maintains Lead (DIARIO DE NOTICIAS, 6 Jul 85).....	107
June Poll Shows Freitas Gains (Margarida Viegas; SEMANARIO, 6 Jul 85).....	109
PS Preferred Over PRD for Possible PSD Alliance (Jose Miguel Judice; O DIABO, 2 Jul 85).....	112

Communists Most Likely To Gain From Dissolution of Assembly (Marcelo Rebelo de Sousa; SEMANARIO, 6 Jul 85).....	115
Importance of PSD, Irrelevance of Parties to Nation Stressed (Romeu de Melo; DIARIO DE NOTICIAS, 26 Jul 85).....	121
Poll Reveals Wide Disapproval of Narcotics (O JORNAL, 28 Jun-4 Jul 85).....	125

#### SPAIN

Soviet Scientist Disappears Mysteriously (EL PAIS, 18 Jul 85).....	128
No Asylum in Spain Sought	128
Delivered to Soviet Embassy, by Alfredo Relano	129
Last Seen at Embassy, by Francisco L. Cordoba	131

#### SWEDEN

Leaders of Communist Left Party, Greens View Election (Marit Ingves; HUFVUDSTADSBLADET, 24 Jul 85).....	133
Falldin, Adelson Deliver Attacks Against SDP, Palme (DAGENS NYHETER, 29 Jul 85).....	136
Falldin Hits VPK Ties, by Magdalena Ribbing	136
Adelson Confident Coalition Established, by Claes Leo Lindwall	138
Palme Favorite With Voters	140

#### MILITARY

##### FEDERAL REPUBLIC OF GERMANY

First of Three Territorial Readiness Commands Takes Shape (Manfred Werle; LOYAL, Jul 85).....	142
Mission, Functioning of Army's Antiaircraft Training Center (WEHRTECHNIK, Jul 85).....	145
Training Programs, Organization Detailed, by Adolf Nowocien	145
Interview With Center Commander, Hans Baron von Falkenhausen Interview	154

## FINLAND

- Acute Personnel Shortage in Provinces Forcing Reorganization  
(Stig Kankkonen; HUFVUDSTADSBLADET, 10 Jul 85)..... 158

## NETHERLANDS

- Higher Pay for Draftees Planned  
(Arnold Burlage; DE TELEGRAAF, 29 Jul 85)..... 160

## PORTUGAL

- Adequacy of Compensation for Lajes Agreement Questioned  
(Editorial; DIARIO DE NOTICIAS, 11 Jul 85)..... 162

### Briefs

- Midair Aircraft Collision Reported 165  
Military Appointments 165

## TURKEY

- Turkish-U.S. Differences To Be Ironed Out on Defense  
(CUMHURIYET, 28 Jun 85)..... 166

- Issues Need To Be Resolved Before Renewal of Defense Agreement  
(CUMHURIYET, 26 Jun 85)..... 168

- Perle Responds to Turkish Queries, Misgivings on Defense  
Cooperation  
(CUMHURIYET, 27 Jun 85)..... 170

- Evren Attends Groundbreaking Ceremony for F-16 Engine Plant  
(CUMHURIYET, 26 Jun 85)..... 174

- 'Honest John' To Be Replaced by Nuclear-Capable Howitzer  
(CUMHURIYET, 28 Jun 85)..... 176

## ECONOMIC

## BELGIUM

- Employers Concerned About Economy's Competitiveness  
(Beatrice Delvaux; LE SOIR, 5 Jul 85)..... 178

- Huge Subsidies Spent on National Sector Industries  
(Karel Cambien; KNACK, 10 Jul 85)..... 180

## FEDERAL REPUBLIC OF GERMANY

Continued Growth in Mechanical Engineering Projected (Karlheinz Voss; HANDELSBLATT, 14 Jun 85).....	183
--	-----

## GREECE

Briefs	
Skaramangas Shipyards Nationalization	186
Satisfactory Outlook for Exports	186

## NETHERLANDS

Negotiations on 1986 Budget, Size of Deficit (Mark Kranenburg; NRC HANDELSBLAD, 13 Jul 85).....	187
--	-----

## PORTUGAL

Access to EFTA Fund To Continue After EEC Entrance (O JORNAL, 28 Jun-4 Jul 85).....	190
Lower Trade Deficit, Lower Rise in Exports (Nicolau Santos; O JORNAL, 28 Jun-4 Jul 85).....	191
Stability Provides Secure Environment for Foreign Investment (DIARIO I/E NOTICIAS, 7 Jul 85).....	194
Capital Flight Accompanied by Clandestine Capital Entry (A TARDE, 4 Jul 85).....	195
Briefs	
Unemployment Payments	197
Poll Shows PS Leads	197
Savings High, Investment Low	198

## TURKEY

Implications of New Economic Moves Discussed (Enis Berberoglu; CUMHURIYET, 29 Jun 85).....	199
Ozal Announces Three Economic Changes (CUMHURIYET, 29 Jun 85).....	201
TURK-IS on Uncompleted Labor Contracts (MILLIYET, 29 Jun 85).....	204
Central Bank Adjusts Interest Rates (MILLIYET, 29 Jun 85).....	206
Iranian Ambassador on Pipeline, Turkish Contractors (MILLI GAZETE, 30 Jun 85).....	208

Border Trade as Smuggling Preventive (MILLI GAZETTE, 30 Jun 85).....	209
---	-----

Briefs	
Meeting With Qadhdhafi	210

## ENERGY

### GREECE

Increased Electricity Production From Lignite Reported (I KATHIMERINI, 25 Jul 85).....	211
---	-----

Fuel Imports, Expenditures Increased (I KATHIMERINI, 27 Jul 85).....	213
---	-----

Briefs	
Poor Exploitation of Waterfall Potential	215
Energy Imports From Yugoslavia	215

30 August 1985

POLITICAL

EUROPEAN AFFAIRS

# POLITICAL REFUGEES INCREASINGLY UNWELCOME IN NORDIC COUNTRIES

## Nordic Climate Cool to Foreigners

Stockholm DAGENS NYHETER in Swedish 4 Aug 85 p 7

[Text] The harassment of Iranian refugees in Kalundborg, Denmark, shows the growing disapproval foreigners in the Nordic countries are encountering.

"More people are bold enough to openly attack immigrants today and some of the attacks are purely racist in nature," said a Chilean refugee in Sweden. The Nordic countries have different immigration policies, with Finland having the toughest policy and Denmark the most liberal one.

Here DAGENS NYHETER correspondents interview immigrants, describe the mood in different countries and give the background for the increasingly tense situation.

## Vietnamese in Denmark

Stockholm DAGENS NYHETER in Swedish 4 Aug 85 p 7

[Article by Bo Engzell]

[Text] Vejle, Denmark--"We would never have dreamed of this when we were starving in a chaotic refugee camp in Thailand. We find it incredible that we have ended up in Denmark where we are free and safe."

So said Huu Phooc and his wife Thi Hui, both 31 years old, who are two of the hundred or so Vietnamese refugees Denmark has taken in. Most of the Vietnamese live in Vejle on the Jutland peninsula. Huu Phooc and Thi Hui brought their little daughter with them to Denmark. She was only 10 months old when the family fled from Vietnam in 1979 and after 2 months of terrible deprivation and hunger in the jungle they finally ended up in a refugee camp in Thailand.

"We lived in Saigon. We were forced to flee the country so that we would not end up in a retraining camp under the new regime," Huu Phooc said. "Up



to then I had been able to bribe an official so that we were not imprisoned but there were many informers."

Wanted to Go to United States

That is why the family fled. It almost cost the life of 10-month-old Hanh. The family tried to go to the United States from the refugee camp. Instead it was Denmark, totally unknown to them at the time, that decided to accept a refugee contingent.

Coming to Denmark was a bewildering experience.

"We were terribly nervous and uneasy about how we would get along in a foreign country," recalled Huu Phooc. "The first thing that happened was when our plane landed in Copenhagen on a winter day in 1979 (it was only fall but according to the family it was ice cold). Our little daughter received medical care and was saved. Later we came to a refugee camp in Vejle."

That was the best thing that could have happened, in Huu Phooc's opinion. Slowly and carefully the Danish refugee program steered the family into the Danish society. For 2 years the Vietnamese group struggled to learn the Danish language.

"We are very grateful for that help," said Huu Phooc and Thi Hui. "If we had not learned some Danish we would never have been able to get along here. Familiarity with the language is one of the prerequisites for the acclimatization of a refugee or an immigrant in a new country. Language not only opens the door to work but to new friends. If one doesn't speak the language one is shut in, isolated and stops functioning."

Things have gone well for Huu Phooc and his wife Thi Hui as well as their now 7-year-old daughter Hanh. The same is true of most of the other Vietnamese contingent. Almost all have jobs and homes of their own.

"We are no longer anxious about tomorrow. We were the first years we were in Denmark. My wife works in a clothing factory. I started out as an assistant to an antique dealer. Now I have my own small import firm. I import food products from the Far East and sell them not only to Vietnamese people and Chinese restaurants in Denmark but also to ordinary businesses," said Huu Phooc.

He is used to working 14-16 hours a day. The firm is in the process of being expanded. The couple has scrimped and saved and managed to buy a small two-story house in Vejle. The firm's office and storeroom are on the ground floor.

A great deal has changed for the family since they came to Denmark.

In Vietnam the father was the totally dominant figure in the family. His wife always had to give in to his demands.

"We have really moved toward equality since we came to Denmark. As much as possible anyway," Huu Phooc admitted. "We both support the family after all. In Denmark individuals are free to think as they please and they have the right to vote. This kind of thing is also revolutionary for us.

"But there is a great deal of bureaucracy in Denmark. Everything is restricted by laws and the taxes are terribly high. It doesn't matter how much one works. The result is almost the same. So freedom is restricted in Denmark too in a way that we could not imagine when we started out," Huu Phooc said.

The family is applying for Danish citizenship.

"Our daughter is entirely Danish. She was very small when we came here. We would also like to be Danes," said Huu Phooc. But he added that if Vietnam shifted to a free democratic form of government he and his wife would probably return home.

Huu Phooc and Thi Hui were politely apologetic. "You see how it is. Vietnam is still our homeland and our parents and brothers and sisters still live there."

#### Greek in Finland

Stockholm DAGENS NYHETER in Swedish 4 Aug 85 p 7

[Article by Wolfgang Hansson]

[Text] Helsinki--The smell of fried meat spread through the little restaurant and Athanasios Himonas put the Greek salad on the table.

He is one of the very few immigrants who have been able to get around the strict Finnish immigration laws.

"My Finnish wife and I got married in Mykonos in Greece where we met during her vacation. If we had not been married I would never have been allowed into the country."

But Athanasios thought the Finnish rules were good.

"I have never encountered any hostility to immigrants and I think that is because there are so few foreigners in Finland."

#### Finnish Temperament

Before he was able to open his own place Athanasios had a hard time. His first job was as a mason's helper at a construction site. He knew hardly a word of Finnish then.

"It was hard to make contact with people and get used to the Finnish temperament but I seldom encountered any hostility. Sometimes Finns got mad at me because I had taken 'their' job and told me to go back to Greece, but I can understand that."

Athanasios is doing well in Finland but a longing for his homeland is always present.

"I often think of it and I hope I can move home again in a few years. But I have been thinking that for many years now."

The homesickness is not exactly alleviated by the genuine Greek atmosphere Athanasios has created in his restaurant. On the shabby walls hung fading black and white posters from his native island of Mykonos and a map of the Greek islands. The tablecloths were blue and white, the national colors of Greece.

In spite of the almost 20 years he has spent in this country Athanasios is not very Finnish. He walked around restlessly, moving small objects around. The orders to the cook were given in a high forced voice. Words shot out of his mouth even in Finnish, which he now speaks quite well.

#### Married to Finns

The picture Athanasios gave of what it is like to be a foreigner in Finland was confirmed by many immigrants. Most of the ones we talked to seemed to have adjusted very well and did not have many critical things to say about their new fellow countrymen. This may be because many are married to Finns, almost the only way to get into Finland as an immigrant unless one has a good academic background.

Englishmen, West Germans, Americans and Russians head the Finnish statistics on immigrants but they are not easy to pick out on the street. Few people arrive with hope for a better life from southern Europe or the Third World.

But that is not because Finland deliberately tries to prevent people from these parts of the world from entering the country, according to the head of the Alien Bureau--the Finnish equivalent of the Immigration Bureau.

#### Too Close to Soviet Union

"The fact is that we get very few applications from this type of person," said Risto Veijalainen. "The main reason for this is that Sweden and Denmark are so liberal and take in most of them. They never have to apply to come here. Finland's proximity to the Soviet Union also alarms many people."

But Risto Veijalainen did not think racism is a big problem in Finland.

"As long as there are so few immigrants there is no strong feeling against them," he said. "But if we get more immigration there is a big risk that

racism will spread. It is latent in the Finnish character just as it is in many other countries."

Finland has never had any problems resembling the recent attacks on refugees in Denmark or the flyers urging us to "Keep Sweden Swedish."

#### Pakistanis in Norway

Stockholm DAGENS NYHETER in Swedish 4 Aug 85 p 7

[Article by Bjorn Lindahl]

[Text] Oslo--"I have lived in Norway for 7 years and racism has just become worse. When I came it was just verbal but now I am afraid of being physically attacked and I no longer dare go out alone at night," said Fachra Salimi from Pakistan.

She is 27 years old and a sociology student at Oslo University. Most immigrants to Norway live in the Norwegian capital, but even there they do not represent more than 2 percent of the population. Two-thirds of the foreign citizens in Norway come from other Nordic countries or are experts from the United States and Great Britain who work for the oil industry. Of those who come from other parts of the world the largest group is from Pakistan, around 7600 people. This is a small but very visible group since many local shops are run by Pakistani businessmen and streetcar and bus workers are often Pakistanis.

#### Bomb Exploded

So far there have been no disturbances of the kind that occurred in Denmark but the warnings have been plain enough. Earlier this summer a bomb exploded in a mosque in Oslo. Only a few minutes earlier the mosque had been full of worshippers and there could have been a catastrophe.

"It was alarming to see how little Norwegian politicians reacted to the explosion attempt. After what happened in Copenhagen the police put a guard outside the synagogue in Oslo but there has been no extra supervision of our mosque," Fachra said.

The police have also been unwilling to guard the antiracism center in Oslo where Fachra often works. This in spite of several inquiries and daily telephone threats, including bomb threats. Other immigrant centers in Oslo have been the targets of arson attacks, a book store has been shot up and slogans have been sprayed on immigrant shops.

The mass media blame neonazis for the racism in Norway. But they are not the ones who frighten Fachra the most.

"One can fight small groups, but what makes me so uneasy is the passive attitude of all the other Norwegians. How is one to fight an entire society?"

"When I sit in a streetcar and someone shouts 'Paki devil' at me, no one reacts. I feel as if robots are sitting there with me. I come from a warm and open country where people have strong reactions. They do not take the law into their own hands but they show it if they are against what is going on. Norwegians don't show anything, they just look blank."

Fachra would not say that all Norwegians are racists, of course. But it requires more than just remaining passive to be able to claim that one is opposed to racism, in her opinion, and she cited as an example what happened in Vaxjo when a small group of neonazis was pursued by angry citizens.

"Just think if something like this happened here in Norway! I would feel safer, whereas now I know that no one would lift a finger if someone attacked me."

But doesn't she think Norwegians have also shown support for the immigrants? What about 17 May 2 years ago when a school received a bomb threat to prevent Pakistani children from taking part in a parade? The other schools joined in a demonstration against racism.

Worst on 17 May

"The worst day for us immigrants is 17 May," Fachra burst out spontaneously.

"The reason why there was such a reaction then was that the school refused to take part in the parade unless the bomb threat was taken seriously. It opened the Norwegians' eyes. The authorities would have preferred to keep the bomb threat secret. Ordinarily Norwegians do not accept the fact that immigrants can celebrate this day too. We are the ones who are imposing ourselves."

Fachra Salimi has a brother in Norway who has become a Norwegian citizen. But she is doubtful whether she will stay in the country.

"I would rather go back, but there is a very bad political situation in Pakistan just now," she said.

#### Chilean in Sweden

Stockholm DAGENS NYHETER in Swedish 4 Aug 85 p 7

[Article by Karin Lindgren]

[Text] "I stand out like a fly in white milk. On the street young people in particular are increasingly likely to shout words of abuse after me. In



my job as a tax auditor I, one of very few immigrants, almost always encounter questioning and astonished looks. An immigrant!"

So said Jose Guevara, 35, a political refugee from Chile with several years of experience when it comes to living in Sweden. A society where the climate is getting worse.

"More people venture to attack immigrants openly today and some of the attacks are purely racist in nature. I have experienced it myself and it happens everywhere. On the street, in residential districts and in contacts with various authorities," said Jose who lives with his family in Jakobsberg north of Stockholm.

At the same time he did not think there was any reason to feel sorry for immigrants or refugees. On the contrary that does not help them.

As a group refugees are weaker and more exposed than the general population and need support to assert themselves in everyday life. In spite of this everyone should be treated as an individual on equal terms, Jose said.

Nature

"Why can't we look at each other with the same eyes we use to look at nature with? We admire the changes and the thousands of nuances in nature that form a beautiful whole. It is the same with people."

There are clear tendencies of increasing racism in Sweden and Jose said it was important to combat them with all the means at our disposal. From a formal point of view society has a positive attitude toward immigrants, but behind the facade a more difficult problem is concealed.

When he is the target of harassment the perpetrators are often the same. A gang of mildly intoxicated young people who feel they have found a welcome victim in Jose although this has never led to any kind of physical violence.

"It is too bad. Young people are insecure and they egg each other on. Racist feelings are primitive and racists are narrowminded and incredibly intolerant," said Jose who ran into the same problem in Chile. There it is the Indians who are the victims of racial hatred.

In spite of all the negative aspects, Jose is optimistic. He thinks there is a good basis for an opposite development in Sweden and that the younger generation can build bridges between Swedes and immigrants.

"The schools may create conflicts but they also bring children together. Different cultures meet in a natural way and fear of the unknown can be reduced," he said.



### Exception

Jose noted that people who know him make an exception for him when they talk about their experiences with immigrants and their thoughts about them.

"We know you and you're a nice person. You're just different from the rest," is a frequent comment. Which Jose dismisses as nonsense while pointing out that it shows what closer contact between groups of people can mean.

How does Jose react when someone yells "blackie" after him on the street or on the subway?

"I used to get very angry and irritated. Now I just laugh, to myself but also out loud. That obviously has a provocative effect. Once it came close to getting me into a fight. But the whole thing is so ridiculous."

### Finnish Immigration Policy Is Toughest

Stockholm DAGENS NYHETER in Swedish 4 Aug 85 p 7

[Article by Bjorn Jerkert]

[Text] Immigration to Finland is insignificant.

There are only 13,500 foreigners in a population of 4.8 million. And 90 percent of them come from industrialized countries like West Germany, the Soviet Union, the United States, etc. Many are language teachers or experts of various kinds who have received work permits.

Finland has the toughest immigration policy in the Nordic region and its main justification is the unemployment there.

The written rules are not very detailed, although a recent law gives immigrants the right to appeal to an administrative court, among other provisions.

Officials in the Interior Affairs Ministry and the Labor Ministry make the decisions.

There is very little immigration from underdeveloped countries. For example only 150 people in all came from Iran and Iraq last year.

Very few people seek asylum there. Last year there were 17, two of whom were allowed to enter the country. This year seven people have applied.

There is no immigrant problem in Finland but there is no criticism of the government's hard line either.

"We had a hard time dealing with the hundreds of thousands of people who came here from the border areas after the war," said Risto Veijalainen, head of the Interior Affairs Ministry's Alien Bureau.

He also said that unemployment is a bigger problem in Finland than it is in Sweden.

Police play a bigger role in immigration policy in Norway than they do in the other Nordic countries.

Residence permits are granted by the police who can also expel people. Norway is probably less well-known to foreigners than Sweden and is located farther away from the continent, so immigration is smaller there. Several thousand foreigners are added to the ranks each year and there are now around 100,000 out of a total population of 4.1 million.

But only a quarter of them come from Africa, Asia and Latin America. Around 8000 of these are from Pakistan and 6000 from Vietnam.

Last year 14,000 people were granted immigration permits--a normal figure for the last 10 years. Most came from industrialized countries and many of them work in the oil field. In 1984 Norway also accepted 670 refugees, less than half of whom turned up at the border unannounced.

Norway recently had several applications for asylum from Iranians after Sweden decided to send many of them back to Turkey. Now Norway has introduced the same rule about "third countries."

Asylum status in Norway is granted by the Justice Ministry and appeals can be made to the government.

Residence permits are issued or denied by the police and their decision can be appealed to the Alien Office. This office issues work permits.

Denmark has the most liberal immigration policy in the Nordic region. In contrast to Swedish rules an asylum seeker who has been turned down by the Directorate for Aliens can have his case heard by a refugee commission presided over by a judge. He can also get legal help and is allowed to stay in the country during the waiting period.

He does not risk being sent back to a third country in which he lived prior to coming to Denmark. In Sweden the police can sometimes send people away at the border.

In other words, in Denmark cases are ultimately decided by a group of experts including several jurists, while in Sweden government politicians represent the highest authority. In Denmark the police used to decide these matters and their decision could be appealed to the Justice Ministry.

The directorate decides when it comes to granting or refusing residence permits and the decision can be appealed to the Justice Ministry.

The Danish police now handle their immigration duties centrally--instead of leaving it up to local police stations.

With respect to immigration by people who are not seeking asylum the rules are the same in Denmark as they are in Sweden.

Those seeking asylum in Denmark increased tenfold in a single year. In 1983 330 people requested asylum, last year the figure was 4300 and there have been 3000 requests this year to date.

About half of all immigrants come from developing countries. Turks are the dominant element in this group.

There are 104,000 foreigners living in Denmark which has a population of 5.1 million.

The Immigration Department in Sweden deals much more with immigration policy than the various authorities in the other Nordic lands.

The department makes almost all the decisions which can then be appealed to the labor minister and the government. In some cases the police can turn people away at the border. These decisions can be appealed to the department and then to the government.

Most decisions concerning immigrants are made by civil servants in the Immigration Department, with a few cases going to the administration. All asylum matters are dealt with by the department. The decisions can be appealed to the government.

At times asylum seekers can be sent back to the countries they came from most recently if they are considered safe.

The biggest group of immigrants consists of those who come here because they have relatives or other personal contacts here. Around 7200 received permits on this basis in 1983 and 5000 in 1984.

Refugees and people taken in for political or humanitarian reasons rose from around 4000 to 5400 in the last 2 years.

Since 1980 permanent residence permits have usually been granted instead of time-limited permits. In 1981 a rule was introduced that those seeking residence permits must await the decision outside the country.

Around 400,000 of Sweden's 8.3 million inhabitants are foreigners.

6578

CSO: 3650/307

POLITICAL

BELGIUM

GOOR ON BRUSSELS STRUCTURES, PSC CHANCES

Brussels LA LIBRE BELGIQUE in French 29/30 Jun 85 p 3

[Interview with Mme Cecile Goor, state secretary for the Brussels region, by LA LIBRE BELGIQUE, place, date and time not specified]

[Text] For the first time in a long time, Mme Cecile Goor, state secretary for the Brussels region, has agreed to step outside the scope of her own job somewhat and reveal her point of view on the PSC's chances in Brussels and the institutional future of the Brussels region. Her statements, departing as they often do from the usual drone, are interesting.

The Lay FDF

[Question] In your opinion, what are the reasons for the failure of the PSC-FDF conversations?

[Answer] The history of these conversations must be told. They began, quite a long time ago, in political discussion clubs which were totally free of electoral preoccupations. Then, obviously, the perspective changed and an expansion was envisioned.

There was a meeting among the five Brussels parliamentarians, including Mr Vanden Boeynants, the party president Gerard Deprez and the general secretary Jacques Lefevre. We said: all in favor of a broad opening up, but no cartel, no negotiations with one party only, but also with economic, social and cultural milieux.

The fact is, it must be admitted that from the beginning we negotiated party-to-party. There was therefore ambiguity from the very beginning. There was a majority of Brusselites in the PSC delegation, but we always insisted on being accompanied by the national president because we wanted to maintain a link with the party and not be drawn into a centrist assembly with a limited program. We didn't want a Brussels ghetto.

I was the FDF contact person, but I always considered it difficult. For example, I couldn't see how an Antoinette Spaak could join us if the FDF continued to exist. Well, it quickly became clear that Mr Clerfayt had no intention of seeing his party disappear.

A sort of inventory of problems was drawn up at the first meeting. We saw right away that there were difficulties in the areas of communalization of teaching, ethical problems and even missiles. On the purely institutional level with respect to Brussels, at first there was no great difficulty, since the FDF adhered to the common declaration of French-speaking parties and to the periphery charter. Mr Lagasse even argued in favor of a "pragmatic" approach.

As early as the next meeting, fundamental problems concerning the "assembly" itself surfaced: what would its statute be, would there be an organic link with the PSC, would the FDF continue to exist, how would the electoral alliance with Nivelles be handled, what acronym should be chosen? But the greatest difficulty was knowing whether the assembly would be integrated into the PSC group after the elections, whether there would be a group discipline or not. The FDF representative's opinion was that the assembly would only be credible if it freed itself from the tutelage of a party. This was difficult for us to accept. This sort of problem didn't crop up with the Walloons and the Democratic Walloon Alliance, which is a movement and not a political party. I might add that the ADW is primarily composed of Christians, while the FDF has a very active lay wing.

Finally, the FDF came forward with its famous 13 point program. We couldn't give it our sanction, especially concerning the proposal to collect financial resources directly by region, but above all with respect to the FDF's desire to negotiate with all parties. For us, it was a reason to split.

[Question] A reason to split, why?

[Answer] Because I believe the PSC has an identity to preserve. The PSC has its own role to play even if this is only recognized by a minority of electors. We have our specific identity, an entirely personal message.

[Question] It is said that conversations are still going on with certain FDF personalities.

[Answer] It is said that we are continuing to meet, but as far as I'm concerned, I don't see anyone anymore. However, I recognize that there is a great desire on the part of certain FDF Christians to break out of their ghetto. I agree that the institutional aspect is important in Brussels, but it shouldn't become an obsession.

Within the PSC?

[Question] Since conversations with the FDF have failed, how do you see the concrete establishment of PSC lists in Brussels taking place?

[Answer] Now that the affair is in the hands of the PSC advisory committee, it's up to the party to evaluate this. In my opinion, what's essential is to find the right complementarities.

For my part, I have indicated that I've filed for candidacy. I am a candidate



at the head of the Senate slate. If it can be of any use, I'm also ready to head up the House slate, even though I think that, in parliamentary work, it can be difficult to change houses.

On the Institutional Level?

[Question] Has there been any progress in your thinking concerning the institutional level in Brussels? We have found you strangely silent on this subject until now...

[Answer] After four years in the Brussels executive branch, I think it's time to settle the problem. It isn't normal to have a third region projected in a Constitution and to leave it under a temporary status. Anything which is temporary makes for insecurity, even the economic world feels this. Anything which is temporary causes you to be treated by others as second class. One doesn't deal with anything which has temporary status, the dealing goes on over its head: whether it's a question of large markets or financial contributions, Brussels is always forgotten. It is Wallonia and Flanders, which have a status, which divvy up the pie.

Brussels' status should also interest Flanders and Wallonia. If Brussels were to grant itself a status which worked against one of the two great regions, it would not be fulfilling its role as a capital and would not flourish as a region. The only advantage of the Brussels "fridge" has been to allow Brusselsites to become aware of their assets: Brussels is a European capital, business and international trade center.

[Question] What do you think of an institutional link between the Brussels region and the national government?

[Answer] You're right, that's what I'm essentially concerned with. If we really want to fulfill our role as capital of all of Belgium, we have to serve the two other regions. We must incarnate this role by somehow associating the northern and southern parts of the country with Brussels, which doesn't mean with its management.

It's an institutional link difficult to pin down, because there aren't always the same majorities at the national and Brussels regional level. With imagination, however, it should be possible to find a solution.

What's essential, I repeat, is that the two great regions realize that they can gain from Brussels international role and its reputation abroad. We don't ask for anything more than to assist them. Our contacts with Washington and Peking can be profitable for Brussels, but also for Wallonia and Flanders. Moreover, when I went to Beijing, I spoke with the Walloon Business Union as well as the Brussels Business Union.

[Question] Can you picture the national government serving as recourse in case one community felt itself discriminated against in Brussels?



[Answer] Surely!

[Question] Do you believe, as some do, that a Brussels region limited to 19 communes should be created first, and then the periphery dealt with later?

[Answer] No, because in our country, experience has shown that the temporary often becomes definitive.

9825

CSO: 3619/87

30 August 1985

POLITICAL

BELGIUM

## FLEMISH EMPLOYERS ON REGIONALIZATION REFORMS

Brussels LE SOIR in French 12 Jul 85 p 2

[Article by J. v. H.: "Flemish Employers Agree on Regionalization of Government"]

[Text] For the first time Flemish employers have associated themselves with various Flemish so-called "combat" associations (strijdverenigingen) in order to make a joint declaration on the future governmental reform.

This document has four basic objectives that are considered essential: exclusive jurisdictions for the regions; regionalization of education and the economy; financial responsibility with regional taxation authority; and directly elected regional parliaments.

Still nothing on the status of Brussels because negotiations are being carried out "discretely."

The Flemish organization of employers--the Vlaams Economisch Verbond (VEV) has joined the three cultural funds (Davidsfonds, Vermeylenfonds and Willemsfond), the Yser Pilgrimage Committee, the Federation of Flemish Academicians, the Flemish Government Employees League, the Flemish Committee for Brussels. At the moment the unions are absent, specifically "for reasons of timing" it has been explained.

In the name of the committee that joins these various associations, Clem De Ridder has noted that currently a process of acceleration on the regional level is taking place. He recalled that 15 years ago, when Father Eyskens proposed a first reform plan, he said it was good "for a hundred years." Ten years later, Martens already had to take the reform plan back to the drawing board. And when the August 1980 legislation was passed, he spoke of "the" reform that would transform the nation into a true federation. Five years have passed since then and, today, all of the political parties are complaining about the reform and pressing for another constitutional revision.

Mr De Feyter, administrative assistant of the VEV, then detailed the four priority demands which, he said, "are totally achievable during the next

session of the legislature. We didn't dream them up. On the contrary, these basic principles are very realistic."

#### Homogeneous Jurisdictions

The first demand: exclusive jurisdictions. Many difficulties would disappear if the regional jurisdictions were defined better and delimited more precisely. When a subject area is regionalized it should be done completely so that jurisdictional conflicts no longer arise. In order for that to be achieved, article 25 of the Constitution which states "All powers derive from the national level" must be changed.

The second demand: homogeneous jurisdictions. Although education has been divided into two linguistic communities for a long time, with two departments, two ministers,--but without financial responsibility--the 1980 law did not dare go farther. From now on, education, including discipline in schools, must depend entirely on the linguistic communities. But this exclusive regional jurisdiction must be within economic and monetary unity. "The artificial distinction between national and regional industrial sectors--a compromise based on no economic reality--must be removed. The 1980 laws already provided for an exclusive regional jurisdiction in the area of economic expansion. That must be radically applied. The del credere commission, the foreign trade fund and development cooperation must also be regionalized.

#### More Funds

The third demand: financial responsibility. That means a tax system with regional taxation authority. "That does not mean that we are opposed to the principle of solidarity among regions," Mr De Feyter insisted, "but the funding system must be abandoned. Within the framework of monetary unity, the regions must be able to contract for loans.

The fourth demand: political responsibility. As in the Federal Republic of Germany, regional parliaments should be elected directly.

Currently the members of the regional and linguistic community parliaments also have seats in the national parliament. The principle of a double mandate must be abandoned because it leads to ambiguous situations: the same representatives vote differently depending on whether they are sitting in Parliament or on the regional council.

According to the Flemish, there are at least three articles of the Constitution that must be revised: article 25 with a view to recognizing exclusive jurisdictions for the regions, [article] 59 bis for the regionalization of education and 107 quater for the future status of Brussels.

POLITICAL

BELGIUM

# NOTHOMB DEFENDS CONDUCT, REFUSAL TO RESIGN

Brussels LE SOIR in French 16 Jul 85 p 2

[Interview With Vice Prime Minister Charles-Ferdinand Nothomb, by Janine Claeys of LE SOIR, date and place not specified.]

[Text] After that "horrible" debate in Parliament, Charles-Ferdinand Nothomb, whom we recently interviewed, is not a man ravaged by anguish. He is an assistant prime minister who is convinced that he acted properly. And who says that, a month and a half after the affair, he is at peace with his conscience. But has he ever thought about resigning?

[Answer] I discussed that question just after the affair with a Christian Socialist minister friend who told me: "That is a choice and it would be easier to resign right away. If not, it will be a long fight." Obviously I have chosen the second way. I expected that there would be a long series of demagogic position statements. Therefore, I was not surprised. Nor worried, either.

[Question] Have you always known that your party would support you?

[Answer] The PSC [Christian Socialist Party] was terrific. And also the CVP [Flemish Christian Socialist Party], which is remarkable since everyone knows that the Flemish Christian Socialists have complaints against me. But I never had any doubts about the prime minister, not for an instant. I think that the PVV [Flemish Democratic Party] also acted very properly.

[Question] You have mentioned all the parties in the majority, except the PRL [Republican Freedom Party]...

[Answer] I prefer not to discuss it. Obviously there was a division within this party. But what counts for me is the way the Parliament decided.

## Failure of the Plan

[Question] What about the attitude of the opposition?

[Answer] First of all, it was in the interest of the opposition to play out a scenario resulting in the requirement that I resign. They tried everything

along those lines. But their plan failed. First of all because I was never, at any time, taken in by their "invitation" to promote me. What they wanted was to subject me to such moral pressure that I would have become a weakness within the government which they would have tried to weaken even further. When they said "the cabinet should stay but Nothomb must go," it was a way of forcing the cabinet to break its solidarity and, thereby, to weaken itself. But I felt immune. And, against moral pressure, moral resistance...because I was sure, on the one hand, that the cabinet should not be weakened and, on the other hand, that my duty after the affair was not to flee but to face up to things.

[Question] Have you always been so confident?

[Answer] At a specific moment I felt convinced, because I saw that public opinion in international sports was going to attempt to assign responsibility for the deaths to the Belgian police. And I couldn't tolerate that. It disgusts me that Belgian demagoguery was sucked into this.

Make Heads Roll?

[Question] You think you are not at all to blame?

[Answer] The problem is that insufficiencies in the police force have been noted and that is what has to be corrected. Certain people would have liked the head of General Beernaert. I, on the other hand, believe that you don't have to make heads roll but that the operation of the organizations and coordination among the police forces must be improved. As minister of the interior I am ready to take on additional responsibilities for the police but, in order to do that, the law has to be changed, not overturned.

[Question] Haven't you ever been amazed by examples of resignations abroad, that of Lord Carrington or the new Italian president Cossiga?

[Answer] Bringing up these examples endlessly was part of a moral offensive mixed with seduction. To persuade me that a resignation would improve my stature and that it would be good for my future career. But, at the moment, my future career is not what is important to me, it is the firmness of my present conviction and maintaining the cabinet until 8 December.

[Question] What really got to you these past weeks?

[Answer] The friendship of many people. It rarely happens to a political figure that people tell him in the streets: "Hang in there!" But that is what happened to me often recently and I thank all of those nameless faces.

[Question] But aren't there also a lot of people who now think that the work of the commission was for naught?

[Answer] I was surprised to hear President Collignon say that all the work mounted to nothing. That would mean that the only purpose of the commission

was to have the head of the minister of the interior, which would not be very glorious in the minds of those who created it and presided over it. As for me, it was a matter of establishing the causes and circumstances of the affair, which has been done in great detail.

9969

CSO: 3619/88



POLITICAL

BELGIUM

# PSC'S LEFEVRE ON VIEW OF WALLONIA'S FUTURE

Brussels LE SOIR in French 23 Jul 85 pp 1, 2

[Article by PSC Secretary General Jacques Lefevre]

[Text] The Walloon struggle of the PSC [Christian Social Party] is a struggle which is developing on two fronts: we want a Wallonia which belongs to the Walloons and a Wallonia of action.

1. The fate of Wallonia is first and foremost the affair of the Walloons.

The PSC is striving for federalism of union, that is to say, for the recognition of the right of every Walloon to differ, and to do this within the framework of the Belgian state and European unity. Wallonia has its own economic, cultural and social traits. As Walloons, we must struggle to enable these specific traits, which are our source of wealth and our identity, to serve for our development above all else.

But Wallonia will not belong to either clique: it will be neither socialist nor liberal. Wallonia is and will be everyone's affair. The PSC is a center party which embraces all social categories. What then, better than it, could be the motivating element in the development of the Walloon area?

The PSC will build tomorrow's Wallonia with all those who, at the center of the political chessboard, will gather around it. It is in this context that the PSC became associated with representatives of the Walloon movement which, under the name of Walloon Democratic Alliance (ADW), is struggling to attain a Wallonia for all. We fully subscribe to the political projects of our ADW friends when they assert in their manifesto that "the Wallonia in which we believe will be pluralist or nonpluralist. The socialist emancipation is not a calamity, thank God! For the real Wallonia, although liberal-minded, is not ready to let itself be engulfed in a socialist ideology like that of the party: welfare state, concentration of power, stifling of the sense of personal responsibility. On the contrary, although it loves freedom, the true Wallonia is no longer an adherent of dehumanizing practices and outmoded theories of a rampant economic liberalism: domination of man by money,

widening gap between the strong and the weak. We want a 'Wallonia for all' based on tolerance, freedom, spirit of initiative and, simultaneously, liberal solidarity."

Gerard Deprez, national chairman of the PSC, has the habit of saying that the merger of the PSC and ADW is a merger between a more liberal-minded PSC and more realistic Walloons.

2. We want a Wallonia capable of more action.

We do not want a folkloric Wallonia but, rather, a combative Wallonia, resolutely turned toward the future: a Wallonia of action.

Walloons must again take risks, gamble with new techniques as they did with the advent of the machine age.

Without new techniques it will not be possible to revitalize our winded economy. Wallonia must be the European California. We have the universities, research people and intellect to do so. For a long time ministers such as Philippe Maystadt or Melchior Wathelet have been aware of this stake so important to our future: Wallonia will gradually become either an Indian reservation or the Wallifornia of Europe.

To accomplish this, it is necessary for our regional institutions to be other than just ticket windows to which Walloons will come to solicit their welfare allocations. To want a Wallonia of action means to struggle for Walloon jobs; it means to struggle for the rights of French-speaking people in the Belgian state; it means to struggle so that government orders are not placed only in Flanders but also in Wallonia.

To want a Wallonia of action means to struggle for a Wallonia more open to the other two areas of the country, to Europe, the Third World, the United States and Japan. Walloons must learn languages in order to export their products and know-how more effectively.

To make Wallonia an area of entrepreneurs and innovators is not just a matter of fiscal policy; it is also a matter of mentality and culture.

This is the PSC's Walloon struggle.

And this struggle cannot be successfully concluded without solidarity with our Brussels friends who, as we, want to make Brussels a completely separate area.

8568

COS: 3619/89

POLITICAL

DENMARK

## CONTENDING ISSUES, PARTIES IN NOVEMBER MUNICIPAL ELECTIONS

### Schluter Fiscal Policies Factor

Copenhagen BERLINGSKE TIDENDE in Danish 25 Jul 85 p 8

[Editorial: "Before the Municipal Elections"]

[Text] There will be municipal elections in November. It would be wise to keep this fact in the back of one's mind when mayors and city politicians these days talk about the financial status of individual cities. Both the sunny and the dark aspects receive extra attention.

In terms of timing, the municipal elections will take place approximately one and one-half months after 1986 budgets and the assessment rates that go with them are drawn up. That is to say, before the end of the month of September. In other words, cities are now in the midst of finalizing budgets which will be uppermost in people's memories on election day.

In order to make an assessment, it is necessary to draw a distinction between the picture as it appears to the cities taken as a whole and the municipal financial picture in the individual city. There is no way to derive the picture of all cities from what is true for a single city, and of course vice versa.

As has been the case every year since the 1970 municipal reforms, the cities have been advised to have some general objectives in mind. This occurs so as to create the necessary context within public expenditure policy and in the fiscal policy which goes along with it. A primary goal for the government has been to bring to a halt the growth in total public expenditures and to keep the tax burden down. The cities appear to have acted on these recommendations. Where some have increased expenditures, others have somewhat reduced theirs correspondingly.

Achieving the goal of unchanged expenditures for the cities taken as a whole is thus quite compatible with wide variations in the trend in individual cities. There even seems to be talk about growing differences. Some have had an easier time than others with exercising restraint or giving priority to doing so. But political willingness has not been as pronounced in all cities either.

Public debate has to some extent been made difficult owing to the fact that the cities all have a common scapegoat in the form of cuts in the state's bloc grants to them. In the previous year, these were reduced in proportion to municipal profits which resulted when the income level grew more rapidly than expenditures. For the cities as a group, this so-called profit owing to fluctuations can be balanced quite easily. However, when the grant is distributed problems crop up and give rise to both good and not so good explanations of individual cities' financial status. The unsatisfactory distribution/cutting of the state grant to cities is also the basis for the government's agreement with the Radicals to replace the greater part of the bloc grants with city income taxes beginning in 1987.

To have a truer assessment of the achievement of individual city governments, for the coming elections it would be a good idea to bring figures and other measures of service levels and the way these are evolving forward for discussion. To a lesser extent than in any prior municipal elections can the trend in financial conditions be taken as a sign of the true direction in an individual city.

#### Fifteen Parties Expected

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jul 85 p 2

[Article by Thorkild Dahl: "Fifteen Parties Now: Scramble for Voters in Next Parliamentary Election"]

[Text] The Interior Ministry has authorized 14 parties in the next parliamentary election, and yesterday the Humanist Party delivered 25,000 signatures. If 19,212 signatures are validated, the party would become the 15th.

New parties are still bubbling up, and yesterday the Humanist Party delivered 25,000 signatures to the Interior Ministry. If the creation of this party is recognized, then 15 parties will compete for voters' favors in the next parliamentary election.

19,212 valid signatures are required before a party can be put on the ballot. The Interior Ministry has a rule of thumb which says that a few thousand extra are needed for the party to be assured of having the required 19,212 valid signatures.

The Humanist Party observed the Interior Ministry signature delivery with a small demonstration, in which a good 20 people advertised the new party with orange banners.

The party characterizes itself as left-leaning but non-Marxist.

Of the ten parties in Parliament, all are automatically granted a place on the ballot with the exception of Ole Maisted's one-man party, the Free Democrats.

The Interior Ministry has already authorized the Communist Party of Denmark, the Single Tax Party, the Socialist Labor Party, the Communist/Marxist-Leninist Party of Denmark and the Greens.

Copenhagen INFORMATION in Danish 24 Jul 85 p 4

[Article: "New Party Against War, Violence and Unemployment: International Movement of Argentinian Origin Runs for Parliament"]

[Text] With the Humanist Party, voters in all likelihood will have a fifteenth electoral choice the next time they choose Parliament. The party delivered 25,000 petition signatures to the Interior Ministry, and if at least 19,500 of them are validated by the Ministry, the party will be able to run.

Christian Adamsen, the party chairman, stated that the Humanist Party will also run in the fall county and municipal elections in 12 of the country's 14 counties.

The new party considers itself "left-leaning, militant and non-violent" and derives from an Argentinian movement with offshoots in 42 countries.

Among other things, it emerges from a reading of the program that the party advocates nuclear power, and having "factories located right next to raw materials"--points of view which stem from the program's Spanish-language edition. Chairman Christian Adamsen said that the party is not pleased with its program, that, among other things, the formulation on nuclear power could be misunderstood. For this reason, the Humanist Party will issue the draft of a new program shortly.

#### Activist Democracy

"What separates you from the other left-wing parties?"

"The Humanist Party is a non-violent party which actively fights any form of violence, discrimination and oppression. We also fight against those factors which lie behind these three things: economic, racial, religious and mental violence," Christian Adamsen explained. "We are particularly interested in discrimination against the young and against women."

"But aren't these points also in the programs of the Socialist People's and the Leftist Socialist Parties?"

"Yes, the difference is that we put the individual in the center."

"So do all the parties, if their programs are to be believed."

"That is correct, but our entire policy is constructed around the concept. This is true as well for our structure, which is democratic through and through," Christian Adamsen said.

He characterizes the Humanist Party as an activist democracy in which direct activity and non-formal elections are decisive. Neither he himself nor the party's leadership is elected.



"We strongly emphasize freedom of choice and individual wishes. I felt like becoming chairman and no one in our national council was opposed," Christian Adamsen said. The party nevertheless has plans to conduct internal elections in the fall.

"But that will be right after the municipal elections. Right now we have set our priorities differently."

Hans Rosengren Hanse, the party's press secretary, said that between 700 and 800 people pay dues to the Humanist Party.

#### Cooperatives

Christian Adamsen said that the Humanist Party opposes the European Communities in its present form. The party is calling for an early referendum and if it should result in a yes vote, the party would call for a de-bureaucratization of the European Communities. At the same time, among other things, the German Democratic Republic and Poland would be accepted as members.

NATO is viewed as a tool of American imperialism, which the Humanist Party opposes.

The Humanist Party is also against unemployment and last year undertook a campaign against it.

"One of the most productive campaigns ever conducted," Christian Adamsen thinks; he said that in a single night the party had put up about 30,000 posters.

Unemployment can be removed if "cooperatives" are formed, he said. "This can be done quite easily. Unemployment is artificial. Why not get people going cultivating something together which interests them?"

#### "Silo"

The Humanist Party arrived in Denmark in 1977 under the name of "the Community."

In addition to its anti-unemployment campaign, the party conducts courses on "active non-violence," a type of training in civil disobedience.

"The Community" is an offshoot of an Argentinian "non-violent movement" founded in 1969 by Mario Rodrigues Cobos, called "Silo" for short.

The Danish representatives deny that the Humanist Party has new religious overtones, and that Silo might be its guru. Exercises of a more religious nature which the movement practiced earlier have now been discontinued, Christian Adamsen said.

"And Silo is not our leader. He has only written some books, and if someone thinks he can use them, he can reread them," Christian Adamsen said.



Copenhagen BERLINGSKE TIDENDE in Danish 30 Jul 85 p 7

[Article: "Conservatives Stand to Gain"]

[Text] The Conservative People's Party will be the big victor in this fall's elections for city government and county councils according to a study published in POLITISK UGEBREV by Management Press.

The Moderate Liberal Party will experience a smaller setback, one which may cost the party mayor's seats in a number of cities with a non-Socialist majority, Soren Risbjerg Thomsen, assistant professor with the Political Science Institute of Aarhus University, believes.

He analyzed three general national political public opinion polls taken in June for POLITISK UGEBREV. The public opinion polls are compiled on the assumption that shifts in strength on the national political level emerge with half strength in local elections, a trend which has been steady since 1970.

For the Conservatives, a gain of between 4 and 5 percent in relation to the last local elections in 1981 would occur first and foremost at the expense of the Progressive Party. The Conservatives' share of the vote rises from 16.2 to 20.4 percent, whereas the Progressive Party is almost cut in half, from 6.3 percent in 1981 down to 3.6 percent in the forecast of this year's elections.

The Social Democratic Party stands to experience a smaller setback but will still be the biggest party this time around ahead of the Conservatives, who overtake the Moderate Liberals as the second largest party.

A gain of 1.3 percent is predicted for the Socialist People's Party, while the Leftist Socialists and the Democratic Centrists will suffer major setbacks.

A modest setback of 0.5 percent for the Moderate Liberal Party could mean the loss of many mayoral posts. In the last election, with 17 percent of the votes, the party won mayoral posts in about half of all the country's smaller towns. Conversely Conservative mayors might sit in a mere 10 percent of the country's mayoral offices despite voter support in the range of 16 percent.

Previously Torben Rechendorff, the Conservative general secretary, has spoken of a gain of 25 mayor's posts for the party, so there would be a total of 55 Conservative mayors after the elections.

In a commentary on the POLITISK UGEBREV survey, Uffe Ellemann-Jensen, chairman of the Moderate Liberals, said that he was not surprised at the result. According to the chairman, a slight setback for the Moderate Liberals is a fairly good position, and he does not think there will be any greater loss of mayoral posts.

"Much as there is a 'prime minister effect' on the national level, there is a 'mayor effect' on the local level which will benefit many Moderate Liberal mayors," he told POLITISK UGEBREV.

Uffe Ellemann-Jensen said that good cooperative work in a government is better than good Gallup figures, but he still estimates that his party's role in the government will be rewarded according to its merits in the fall elections.

The forecast for the municipal elections is based on public opinion polls conducted in June by AIM, Gallup and Observa.

12789

CSO: 3613/177

POLITICAL

FINLAND

EUREKA PROJECT PARTICIPATION COMPLICATED BY COCOM, USSR

Helsinki HUFVUDSTADSBLADET in Swedish 15 Jul 85 p 2

[Op Ed article by Heikki K. Auvinen, MA, consultant for information technology trade between Finland and the Soviet Union: "Our Foreign Policy and International Technology"]

[Text] Finland's foreign policy has grown from our national needs. In the general situation of international interaction now in use, our foreign representatives handle both technical and economic questions. Watching over our trade policy interests has become a more central goal for Finland's official foreign representation, especially when Finland is not having problems in its international relations.

According to the pattern of market management countries, the foreign representatives of companies and business associations work independently beside Finland's official foreign representation. The state intrudes in the activities of these representatives only if the general interest requires it. There is a clear division of work between Finland's official representatives and the foreign representatives of business

The importance of knowledge in asserting national interests has firm traditions in Finland. J. V. Snellmans life's work and his personal interest in knowledge as a social phenomenon--teaching the rise of a national consciousness via the individual's personal consciousness--can still serve as the guiding star of Finland's foreign policy. The greater awareness that Finns have of the surrounding world, the clearer picture the citizens will have of Finland's role in international politics.

With the exception of natural resources, Finland can not rely on strength factors--capital--or armed force.

The lack of this strength has caused Finland, with all means available in international politics, to invest in the potential of knowledge. A high level of education enables conducting this policy by increasing knowledge even of problems outside our country's borders.

Knowledge also has a central importance even in trade policy. The industry of a capital-poor country can not afford incorrect investments, it must later start new production, establish itself in new markets or utilize an existing situation. In foreign trade the export structure must correspond to the national investment which has been made in education. There should be a connection between the capital intensity of export and the level of education. In foreign trade Finland simply cannot afford an attitude point of view.

During the 1980's there should be a serious discussion about developing the existing knowledge system in Finland. Do we need a total assembling of knowledge from our own sources with the intention of eliminating the factors of uncertainty in our foreign trade? In this question the interests of the state and business are combined.

Many factors in our current foreign policy indicate the need to develop an individual consciousness and a more fully expressed view. The need for revision is primarily caused by the fact that beside the official foreign policy, more and more individuals and institutions are contributing to forming the outer image of Finland in the world.

Also business and the press are playing a greater role in our foreign relations. This has been demonstrated, among other things, by our domestic information technology debate being carried over into foreign policy in the spring of 1985.

Finland's position outside the great power conflicts and the country's efforts to maintain peace and security according to the principles and goals of the UN as expressed in the preamble of the VSB [expansion unknown] agreement and the latter principle still separated in article 3 of the agreement.

The beginnings of the agreement are in a policy of strength, especially in questions which apply to the use of military force. Therefore articles 1 and 2 of the agreement encountered much attention and in some countries people chose to interpret the agreement as a purely military pact. The agreement is a totality which, taken gradually, can offer rich substance for a positive common denominator.

The agreement has formed a basis for many different areas of cooperation. In trade between Finland and the Soviet Union the VSB agreement has, with the exception of the first goods exchange, been cited as the point of departure for all trade agreements between the countries. In the preamble of the scientific-technical cooperation agreement it was not referred to, for some unknown reason. In its Western trade contacts Finland has even tried to heed

the obligatory relations between Finland and the Soviet Union. When Finland made contact with the European free trade organizations, it gave the Soviet Union and other countries which participate in COMECON [Council for Mutual Economic Aid] similar advantages.

Finland's Western trade relations have, however, periodically been problematical. A faster rate of recovery in our businesses than in our customer countries has created problems, especially within the most sectors of our export industry. Other economic disputes have largely resulted from structural factors in Western trade. The existence of a positive common denominator has, however, always made it possible to find a solution.

Questions concerning transfer of technology have been on the table during the past 10 years as it concerns relations between East and West. In countries where strategic products fall under export controls, the so-called COCOM countries, Finland's good trade relations with the Soviet Union have periodically created suspicions of our loyalty concerning export control of top technology. COCOM cooperation is based on an effort to increase the security of member countries through watching over the export of products which can be utilized for military aims and technical knowledge. The top technology of electronics, computers and data transmission systems are, according to the COCOM countries, applicable to warfare to the extent that civilian trade of them should be controlled. The VSB agreement which requires Finland to follow only sanctions imposed by the UN has prevented an official discussion of the United States' and its COCOM allies' sanctions policies against the Soviet Union. As a nation Finland has not elected to take a position, nor has it adopted such a policy, Finland has tried to remain outside the conflict.

A foreign supplier who wants to be sure that technology under export control will remain in the country, can through the Finnish Licensing Authority, the control authority for our foreign trade, be granted such a guarantee. This evidence granted by our authorities goes to the company, not the foreign authorities. When the goods are reexported, either within the framework of bilateral trade or sale, the exporter guarantees in writing that the delivery is free from restrictions concerning reexport.

These procedures and guarantees contain a recognition of the export controls in the company's trade contract. A general supervision of the legality on Finnish territory of established trade contracts obviously comes under our national authorities.

Although Finland as a state could not take a position on the embargo policy which the United States is conducting against the Soviet Union, individuals, companies and industrial organizations developed a position under civil law based on safeguarding continuance of trade with the East and import by the East of Western technology. This still has, however, led to the raising of a technology border between East and West at the Karelian isthmus, at the old cultural border. In order to guarantee the import of Western top technology, people in Finland have gone in for a self-control which could be interpreted



as a de facto agreement with COCOM policies. A critical situation analysis and a needs test are always in place, however, with regard to taking a position on different points of the compass. The right of self-determination is guaranteed in international relations. The relations between small nations and large multinational companies, owners of the technology, do not function on that basis, however.

When Finland's foreign trade minister visited the United States and the United States' former vice president visited Finland in the spring of 1985 Finland received recognition for its loyalty concerning export controls. In the Soviet Union Finland still stands high in its capacity as a supplier of modern technology. Increasing closeness between the superpowers and an increase of direct trade could be calculated to reduce Finland's specific weight for the Soviet Union. The role of trading nation between East and West could again increase Finland's specific weight and make possible a development of trade.

Except for security questions, Finland could play an enterprising role also in questions of cooperation. A development of trade between East and West is part of reduction of tensions. An openness in trade of top technology between Finland and the Soviet Union is the opposite of a low profile policy. An advantage of this enterprise is also openness to third parties, which should reduce their suspicions. In an eventual revision of the state of things it should be pointed out that for Finland's sake it is especially important to try to bring about a situation in technology trade in which from each independent compatible technology can be created in different parts of the world. A concentration is not compatible with our interests.

In order to guarantee the serviceability of our business, Finland should actively and on its own initiative try to develop alternative technological solutions, mainly in Europe. With this effort we should officially try to encourage the growth of alternative sources of high technology.

To a greater degree Finns should be made aware of export controls involving high technology. The export controls of the COCOM countries are not a prohibition on trade. Export controls contain controlled and licensed delivery of goods. That is reason for Finland and its business to fundamentally develop rules for technology trade between East and West.

If these special obligations concerning technology trade are experienced as technical obstacles for trade, Finland has the possibility of taking a trade policy initiative to the UN or other commercial organizations with the intention of eliminating these obstacles.

In accordance with its foreign policy principles Finland tries to remain outside of superpower conflicts. Still it is stated in the preamble and article 3 of the VSB agreement that both agreeing parties will by all available means try to guarantee peace and security in accordance with UN goals and principles. Peace policy is a part of foreign policy.



According to this principle, Finland can play an active role in peace and foreign policy questions which do not directly involve our country. To advance peace and security is not exclusively the concern of the two super-powers.

Peace--the perpetuation of life--is common and indivisible for all people. For Finland it should mean to always try to bring international conflicts down to the individual plane. At the individual level knowledge is more pertinent than force.

Within the framework of our foreign policy we should try to clarify to what extent it is possible to improve our initiatives for finding a positive common denominator between nations. To revise the international trade system would be one way to approach the problem.

This enterprise could, in addition to North-South trade, also could be applied to East-West trade. Finland has more to gain than to lose with this enterprise. In the technology trade between East and West there are good conditions for a new warming.

The Soviet Union testifies to its desire for peace with different peace initiatives. The United States again supports trade free from restrictions by proposing a new GATT round. The COCOM countries in 1984 unilaterally accepted that restrictions on technology trade are by their nature technical obstacles to trade. Only a part of these restrictions have clear political content.

Within the framework of Nordic and European economic cooperation and within the UN special organizations, Finland has tried to bring about a more lively interaction between nations. In foreign trade Finland has followed a policy of free trade. It would be considered a consistent continuation of this policy if in international discussions of free trade we could tie in questions of trade in high technology.

The opening session of the UN General Assembly this year should offer Finland an excellent opportunity to introduce an initiative for an agreement concerning international high technology. To create a multilateral discussion would be a valuable contribution by Finland.

9287

CSO: 3650/295

POLITICAL

FINLAND

# VETERAN STATESMAN SAYS SORSA TO BLAME FOR TILT EASTWARD

Helsinki HUFVUDSTADSBLADET in Swedish 24 Jul 85 p 7

[Article by Erik Appel]

[Text] It is Kalevi Sorsa and not Mauno Koivisto who has turned our foreign policy "several degrees eastward," according to Tuure Junnila, Ph. D., who celebrated his 75th birthday today.

Through the years Junnila has been known as a tireless critic of our practical foreign policy as manifested under Urho Kekkonen and now under Koivisto. (He himself referred to it as under Sorsa, but immediately corrected himself, calling it a not insignificant slip of the tongue.)

Abo professors Krister Stahlberg and Dag Anckar are on the right track here, but the spotlight has been aimed incorrectly although the president "shares the guilt" to the extent that he has allowed the prime minister to play such an active and visible role in the area of foreign policy, Junnila said.

Tuure Junnila is a parliamentary veteran. He entered parliament way back in 1951 and has been a member ever since with the exception of two periods when he lost an election; the first time in the wake of the note crisis in the early 1960's and the second time in 1979.

After 1979 he considered retiring but when the election campaign began in 1983 he lined up again to the annoyance of many Conservatives. And he won.

What makes a person devote himself to politics, especially when he is a lone wolf like Junnila?

"Politics is like an intoxicant," he replied. "One becomes dependent. It is true that parliamentary work can be slow and frustrating but one still can't do without it. It gets in one's blood."

So it is not unlikely that he will run again in the next parliamentary election.

"I haven't decided yet," he said and expressed surprise that Jutta Zilliacus has quit. She was the one who criticized the young "broiler politicians" for their lack of endurance.

#### Rural Party's Pacified Dual Profile

He personally thinks this parliament is better than the last one he was part of from 1975 to 1979.

"This is because the Finnish Rural Party has changed its stand. The party is now part of the government and cannot devote itself to demagoguery and courting the voters as freely as it used to.

"But the other government parties undoubtedly have trouble at times with their refractory partner where the Vennamos, father and son, have agreed to assume different roles, the son acting as the responsible and restrained politician and the father acting as the old demagogue.

#### Social Democratic Skeleton

The long and tedious efforts of the Conservative Party are not over yet in spite of all the reorientation and attempts to rid itself of excess baggage. Junnula is one of those who criticized the party for going too far in its efforts to make the party acceptable as a government partner, especially since there have been no real chances so far of achieving the desired result.

"As long as the president had to choose between the Conservative Party and the People's Democrats he preferred the latter. This is also true of Mauno Koivisto."

The situation has changed now that the People's Democrats are outside the government. Does that give the Conservative Party a chance?

"The crisis of the communists increases the Conservative Party's chances to some extent. But there is no reason to be lulled into a sense of false security. There is still a lot of resistance among Social Democrats and in the Center Party to cooperating with the Conservatives. The Conservative Party, despite the drift to the left, still represents a capitalistic view of society and that poses problems for the Social Democrats.

"And the old Honka business and the note crisis seem to have been such traumatic experiences for the socialists that they have not yet recovered from them.

"That is the real skeleton in the socialist closet, rather than Raatikainen's notorious socialist skeleton," Junnula laughed.

"For the Center Party it is again a question of pure power politics. Vayrynen & Co. know the Center Party's power and influence will diminish if the Conservative Party is included."

Junnila himself served briefly in Sakari Tuomioja's government in 1953-54 as finance minister.

"I used to annoy young people in the party by pointing to that time when they claimed that I am a stumbling block to Conservative participation in the government.

"Oh well, times were different then," Junnila conceded.

#### Note Crisis Not Orchestrated by Kekkonen

He has been a lone wolf in parliament and to a large extent inside his own party as well. He has most often been in the opposition. Who does not remember his clashes with Kekkonen in parliament while the latter was prime minister? Urho Kekkonen was a much sharper debater than the current prime minister and that colored the debates.

Now that Junnila has gained perspective about Kekkonen and his followers has his view of them changed?

"In principle, no. But naturally it is less emotional and calmer now that the Kekkonen era is over."

Junnila recently completed a book on the transition from Kekkonen's period of power to Koivisto's reign. It will come out in the fall and obviously contains a lot of inflammatory material since the big publishing houses did not want to publish the book.

Instead it will be published by a small company called Alea-Kirja, which publishes the newspaper NOOTTI, among other things. Kauko Kare, not one of the most officially esteemed publishers in the country, is behind this firm.

Junnila devotes a chapter of the book to the so-called note crisis. He said he had obtained some new information that he is somewhat skeptical about but that confirms his impression that it was orchestrated from Helsinki, but not by Kekkonen.

By whom then?

"I will let the book reveal that."

Junnila also noted that the substance of foreign and domestic policy has not changed as a result of the change in presidents. But the grip is not as hard--even though Koivisto has made a number of surprisingly hard statements like the latest one against Colonel Kuosa.

Sorsa, Not Koivisto

"The atmosphere has become calmer. But in one respect there has been a change that is not without significance and that does not represent an unmixed blessing: Kalevi Sorsa has acquired a very prominent role in foreign policy."

Junnila is critical of Sorsa. He does not regard him as nonpartisan and referred to his attack on the United States, among other things.

"It would never have happened in Kekkonen's time that a prime minister played a separate role in foreign policy. Suspicious as I am by nature I have sometimes wondered if Koivisto and Sorsa have reached an agreement on this division of roles."

Although Junnila is critical of the investigative methods of Abo professors Krister Stahlberg and Dag Anckar, he thinks they are right in saying that our foreign policy has shifted several degrees eastward.

"But that is due to Sorsa, not Koivisto. However Koivisto is an 'accessory' in the sense that he has allowed the prime minister to play an active role in foreign policy."

This kind of thing would never have happened in Kekkonen's day. But he was a man of power, which Koivisto is not.

That can be listed to the credit of the current president, in Junnila's opinion.

6578

CSO: 3650/307

POLITICAL

FRANCE

MARCHAIS ON PSF ACTIONS, FRICTION WITH PCF

Paris L'HUMANITE in French 11 Jul 85 p 1

[Article by Georges Marchais: "No, Nothing Has Been Played As Yet."]

[Text] The politicking spectacle just offered by the Socialist Party steering committee would not merit dwelling upon. However, since according to a tradition recently established, what is decided on by the dominant party later becomes the official "line" of all the means of propaganda--notably those of the state--that it controls, it is indeed necessary to examine the conclusions reached by this meeting.

The first one is unremarkable: it is the pursuit and amplification of the anti-Communist offensive carried on continuously for months. According to the steering committee resolution, our party is said to have chosen "an increasingly sectarian line," an "orientation that isolates it," "a destructive policy." Let us look more closely.

The Communist Party "sectarian"? In what way? Because we criticize government policy? That, indeed, is correct: We are severely criticizing this policy. More: We are resolutely fighting it. But for what reasons? Because it produces disastrous results, as proven by all the official figures. And because it fits in, term for term with the capital projects expressed by the programs of the Right, as I brought out, with supporting proofs, at the time of our Central Committee's 20 June meeting. Where is the "sectarianism"? We do not "choose" to attack the Socialist Party: we note facts, which no one has disputed.

The Communist Party, a supporter of "isolation"? In what way? All the experience of the last few years proves, on the contrary, that in the most difficult circumstances, our action has always tended toward the rallying of popular forces. In 1981, when the break decided on since 1977 by Mitterrand on the question of the content of indispensable changes let us foresee that the Socialist Party would refuse to tackle the causes of the crisis, we contributed a deciding share to giving it its chance to prove itself. We later agreed to participate in the government in an ultra-minority position, and we went to the extreme limit of what was possible for us in order that this experiment in union might succeed. Where is the



"isolation"? Today, like yesterday, our policy is that of rallying, "dialogue, opening up, the broadest action to withstand the crisis," as we strongly insisted at the time of the last Central Committee meeting.

A "destructive" policy, that of the Communist Party? There again: in what way? Everything we are doing has precisely the aim of concretely solving the grave problems presented, introducing really new ideas, building. There is not a criticism that we are putting forward that is not linked to a definite and realistic proposal. We are showing, with supporting proofs, that there is nothing inevitable about the current crisis. We have clearly defined our planned society, socialism, French style. We have explained to our congress the main lines of the different policy it is possible to implement from now on. And our national conference in October will clarify even more our proposals, which we will submit to the vote of the French in 1986. If there is a party that does constructive work, it is the French Communist Party [PCF]. And if there is a "destructive policy," it is indeed the one that slashes production and jobs, smashes social and democratic gains, sinks working families into privation, liquidates the country's independence.

This capital policy was destructive yesterday when the Right was in power. It is so today with the Socialist Party. It will probably be so tomorrow, whether with the Right or with the Socialist Party.

Such is moreover the second main conclusion of the Socialist Party's steering committee: a self-evident confirmation, going as far as the practical consequences, of its 1986 strategy which we have already analyzed. The Socialist Party is openly giving itself, for the future, the goal of establishing in France an English- or German-style alternation that would see--once the Communist Party was frozen out--social democracy and the Right succeed each other in running the country in order to implement the same capital policy. Not only does the Socialist Party put itself in the perspective of a return to power by the Right, but it plans this.

Let us not say: "Trial by intention!" It is the Socialist Party itself that has just set itself the objective of electing 170 deputies to a National Assembly that will have 577. Here is a fact without precedent in our history: a party having all the powers--those of the president of the republic, the government as a whole and an absolute majority in the National Assembly--that assesses the scope of its failure even before having fought and prepares itself for a stay in the opposition with the following deadline in mind, that of the presidential election! Moreover, Jospin, the day after that steering committee meeting, in substance, put in Mitterrand's candidacy for 1988, which was greeted by the entire press as a magnificent "coup."

In brief, for these people, the future is written in advance. It is already several months since the question of "cohabitation" of the victorious Right with Mitterrand was settled; we are now up to the number of deputies each one will have... We are only in July 1985, but March 1986 already seems to be a closed matter.

Well, no! The Communists reject this scenario of failure. That is what they are currently explaining throughout the country: We can escape this system in which the Socialist Party and the Right want to shut up the future of our country. To defeat the Right in 1986, to introduce new ideas into France, that is possible!

Providing, to be sure, that we rally around a different policy than the one implemented by the Socialist Party. By wrecking the people's hopes, by causing so much disappointment and discontent, this policy has strengthened the Right and is now leading it to the gates of power. To rally against the RPR [Rally for the Republic], the UDF [French Democratic Union] and Le Pen [expansion unknown] with the hope of defeating them, that is to draw on all the lessons of experience and give our party the means of influencing the course of events.

Nothing has been played as yet. We can open a different perspective. Such is the great challenge, for the present and the future, that we have launched since the last meeting of our Central Committee, and that we have not finished hearing about.

9434

CSO: 3519/240

POLITICAL

FRANCE

POLL EXAMINES CAUSES FOR DROP IN MITTERRAND POPULARITY

SOFRES Poll Overview

Paris LIBERATION in French 3 Jul 85 pp 2

[Article by Jean-Michel Helvig: "1986: The President's Popularity at Stake"]

[Text] Beyond the discontent with government policy, the president's unpopularity is based on personal misunderstandings between Francois Mitterrand and the French, as indicated by our SOFRES/LIBERATION poll. This is a critical situation before the legislative elections and a possible coalition government.

The French criticize Francois Mitterrand the most for not having kept his promises (39 percent) and for not having said he changed his policies (28 percent). In a ranking of the presidents of the Fifth Republic he is last with a score of 9.7 out of 20, far behind De Gaulle, who was first. But 3 out of 4 of those who voted for Francois Mitterrand in 1981 do not regret their vote. This is some of the information gleaned from the SOFRES/LIBERATION poll that we are publishing today. (Read pages 3-7.)

What is the basis for this break between the president and the public? What is the 'Mitterrand Mystery' by Serge July? (Read page 4.) The current president of the republic dreamed of being president of the council during the Fourth Republic. Catherine Nay, author of the "The Black and the Red" (Grasset) tells how he upset a lot of people at the time and was already causing conflicting emotions. (Read page 8.) And what about those who see him every day? A report from the rue de Bievre. (Read page 7.)

Tomorrow we will publish the continuation of our survey.

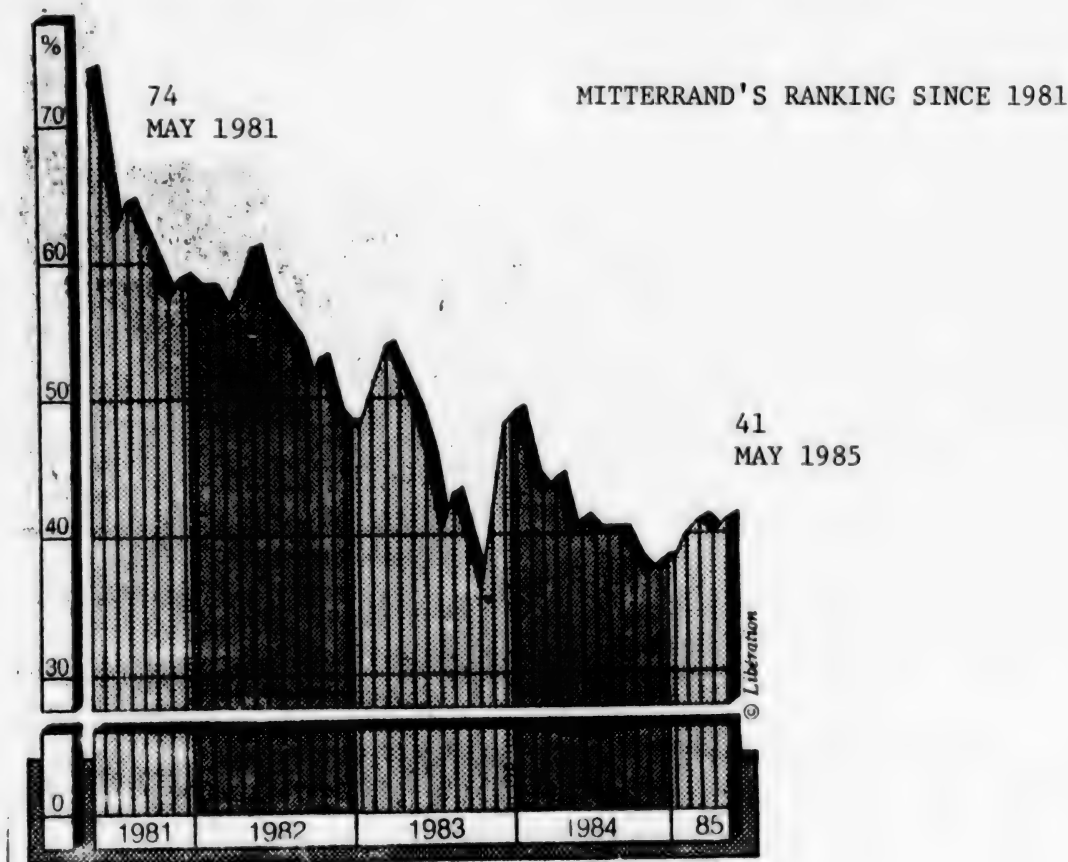
Why is Mitterrand so unpopular? The Right has a ready answer: because the French deservedly no longer support his policies. The Left consoles itself by replying that the French have unjustly judged the man and his actions. The truth, like always, can be found on both sides although the explanations given are not adequate. The "economic" argument has ardent adherents, beginning with those

who cite the precedent of Reagan, who saw his popularity curve fall in inverse proportion to the rise in unemployment. Along these lines L'EXPRESS this week (June 28-July 4) had the clever idea of comparing the IFOP "satisfaction" curve of the president of the republic and the SOFRES/FIGARO poll on French opinion of the economic and social situation. There are striking parallels, especially unfavorable ones. Nonetheless--and this is one of the principal pieces of information from the SOFRES poll that we are publishing today--when those questioned are asked to choose from among a number of reasons for the president's unpopularity, bad management of the economy ranks only third, behind not keeping his promises and not telling the French the truth.

The "behavioralist" argument finds some meat there, at the same time that it makes it more difficult to approach the unpopularity because it affects the man as much, if not more, than the policies he inspires. This rapidly approaches what is commonly considered to be unfathomable. Once the contingencies of the moment are removed, what does the charisma of a politician consist of? The confidence (or the distrust) that he inspires in his citizens? Or even in his peers? The phenomenon can be examined, even very closely, but one can never claim to have understood it completely. Especially when the "subject" will soon be celebrating his 40th year in public life and when his role will be of major importance in the upcoming 2 years. It is in this respect that presidential popularity becomes an intrinsic part of the French political context. As the keystone in a constitutional structure he did not choose, Francois Mitterrand will undergo the first experiment in ambiguity: a president universally elected for 7 years and a National Assembly that has a 5-year term. This is true regardless of how the election turns out in March 1986, proportional voting or no proportional voting. This is a situation which he stepped into with a popularity that did undergo some ups and downs through the months, but which has not regained its footing beyond a last handful of advocates. To establish his personal presidential legitimacy in a coalition government it would seem that statutes would not be enough and that a cushion of popularity would be welcome. The unprecedented power structure at that moment--at least if it turns out to be viable--will perhaps cause the cards of popularity to be redealt between the head of state and his government. Francois Mitterrand has recently been making appearances in Languedoc, something that will be useful if this eventuality happens. But how much popularity will he have after a legislative election in which his political adversaries, as is right, will do everything if they are victorious to make the approval appear to be first of all that of the incumbent president?

When this obsessing question of the polls is mentioned to him, Francois Mitterrand uses two lines of defense, which are not contradictory. He either emphasizes that he is the "shield" for those who administer a policy for which he has assumed responsibility and a shield, of course, invites blows. Or he stresses that the French will not be kind to him until later for having chosen austerity, and therefore unpopularity, in order to revitalize and modernize the French economy. This is not an absurd bet. After all, Raymond Barre, whose results as prime minister were not outstanding, benefited much later from the intractable attitude that he seemed to have adopted at the time. But election trends often focus the collective thoughts of the public, and this is both inevitable and merciless.

The presidential classification from this SOFRES/LIBERATION poll (read page 6), which sees the rating decline as we get closer to the present, can reassure the current officeholder as to his legacy. It could also serve as a warning to those who would like to succeed him.



Source: SOFRES-FIGARO magazine monthly poll. Positive replies to the question: "Do you have confidence that Francois Mitterrand can resolve the problems facing France at the present time?"

#### The Principal Lessons from the Poll

- 39 percent believe that he is unpopular because he has not kept his promises.
- 8 percent believe it is because he is not modern.
- 54 percent believe that he has changed since his election.
- 63 percent advise him to take the opinion of the French into account in order to be less unpopular
- 69 percent believe that things would have been the same if another Socialist had been elected president of the Republic
- 57 percent believe he has stayed within the limits of his office.
- 71 percent of those who voted for him on 10 May 1981 do not regret their vote.

In the ranking of presidents of the Fifth Republic he came in last with a 9.7 average grade, behind Giscard d'Estaing, 10.2; Pompidou, 13.1; and De Gaulle, 15.



Paris LIBERATION in French 3 Jul 85 p 3, 5, 6

[Article by Eric Dupin: "Poll: The French Judge Mitterrand"]

[Text] In the SOFRES poll on the reasons for the president's unpopularity, it came out that he is criticized more for not having told the truth than for the way he managed the economy.

Francois Mitterrand has been experiencing the anguish of unpopularity for almost 3 years. The duration and intensity of his misunderstanding with the public is an unprecedented phenomenon in the Fifth Republic. Our SOFRES poll measures the scope of the presidential situation. The political image of the head of state is in a sorry state. Mitterrand is not only fully affected by the anti-government bitterness of a public shaken by the crisis, but also, and perhaps more importantly, the personal trajectory of the president has aroused confusion and hostility in the French.

#### One-Quarter of Those Who Voted for Mitterrand Regret Their Vote

If it were to be done over, it would not be like 1981. One-quarter of those who voted for Mitterrand on 10 May today regret their choice (see Table 1). On the other side the number of regrets is only marginal. Those who voted for Mitterrand and who still maintain their choice account for only 37 percent of voters (disregarding any party changes that have occurred since 1981). If only the French who do not regret their vote of 10 May voted today, Valery Giscard d'Estaing would win with 55 percent of the votes. If you assume that the former president would get half of the votes from disillusioned ex-supporters of Mitterrand, he would even get 58 percent of the vote.

Those disillusioned with Mitterrand would be ready to change their votes. Last April, 35 percent of those who elected him stated they were "disillusioned with Mitterrand's actions since his election" (FIGARO-SOFRES poll). Our poll indicates that almost three-quarters of them willingly cross over from disillusion to regret. Those tricked by 10 May are from both the Right as well as the Left. It should be noted that 14 percent of current opposition members are admonishing themselves for having succumbed to anti-Giscardism. This circumstantial support for Mitterrand was particularly true among small business owners and craftsmen (22 percent regrets). It was probably inevitable that the president lost them as soon as he began, during an initial phase, to apply the program upon which he was elected.

But the regrets also add up on the Left. They hit one-fifth of laborers and almost as many employees and mid-level executives. A not insignificant portion of the sociological basis of the Left has gone sour. Their desertion came later but seems to be solid. On a political level the phenomenon is partially shown by a defection of Communist voters: a good one-quarter criticize themselves for having put a Socialist in the Elysee. This is not much in terms of the direction of the leaders of the PCF but it is a lot in terms of election results.



### Another Socialist President Would Not Have Done Better

Mitterrand or another Socialist president--it would have been the same. This opinion, shared by two-thirds of the French (see Table 2), shows a resigned fatalism. Few French think that another Socialist would have done worse. Only among the Communists and those who voted for Mitterrand but regret their vote is there an appreciable minority who personally accuse the president.

The president's unpopularity is due first of all to the rejection of a policy and to hostility toward the head of state. The response to this question is no less surprising if you think about the insolent popularity of various Socialists such as Michel Rocard, Laurent Fabius or Jacques Delors. The public is skeptical about the ability of the various pretenders to do better than the present titleholder. According to a recent BVA-PARIS MATCH survey, 31 percent of the French think that if Rocard were president today, he "would do better" than Mitterrand (38 percent "practically the same" and 14 percent "not as well"). Even Raymond Barre causes a certain distrust: not more than 37 percent of those polled think that he would do better than Mitterrand. This means that the president is also victim of an unpopularity of the institution itself.

However, public opinion does not grant him a single personal "plus." Even among Socialists, only 10 percent believe that another president from the same political party would be less effective. Just as many (12 percent) of those most favorable toward Mitterrand (those who give him a grade between 15 and 20 out of 20) believe that he is not as good rather than better than another Socialist president. Even among his most ardent supporters Mitterrand does not appear to be the best Socialist president that could be imagined.

### Mitterrand Is Not a Monarch

Here is a complaint which the current president escapes: a distinct majority of the French believes he has remained within the limits of his Elysee office. (See Table 3.) The accusation of exercising personal power finds little support, even among voters on the Right or among those disillusioned with Mitterrand. One must really not be able to stand Mitterrand (and grade him from 0 to 5 out of 20) to find a majority (54 percent) who consider him a monarch.

Only a slight third of the Communist voters respond to this criticism despite Georges Marchais' vigorous campaign against the Elysee "monarchy." The young between 18 and 24 criticize least (20 percent) the concentration of power in presidential hands. Overall, the insitutional practices of the Fifth Republic do not cause alarm. Mitterrand is not criticized for using the very extended powers that his predecessors granted themselves.

### Mitterrand Has Changed

Here is the crux of the problem between the president and the public. Mitterrand is no longer what he was. This distinctly majority feeling (see Table 4) is undoubtedly loaded with political meaning. It is especially felt by voters

who regret having voted for him (64 percent) and by those who grade him from 5 to 9 out of 20 (67 percent). At a ratio of 2 to 1, Communists are also largely convinced of a Mitterrand change. This seems to be especially felt in a negative manner: the president's transformation is disillusioning when it is not seen as a total betrayal.

The belief in Mitterrand's consistency is shared only by a small majority among the most ardent of his adherents (56 percent of those who grade him between 15 and 20 out of 20) and by Socialists (51 percent). Sociologically, the feeling that the president has changed is most widespread among executives.

The question about the reasons for Mitterrand's unpopularity (Table 5) illustrates the extent to which this change has been taken badly by the French. Criticism number one is that he has not kept his election promises. This theme runs throughout all opinion polls and is an accusation that certainly pertains more to the spirit than to the letter of the program defended by candidate Mitterrand. The president has not yet finished paying off his prior commitments to reduce unemployment and get the country out of the crisis.

This is the major complaint of those who regret having voted for him (see Table 6). It is also the dominant opinion (48 percent) of the French who think that Mitterrand has changed since his election. The charges of not keeping his promises are echoed most among the categories that lean toward the Left: the young from 25 to 34 years old (42 percent), laborers (43 percent) and those who voted communist (59 percent). Lastly, it is Mitterrand, more than Rocard, who is considered to be a breaker of dreams. He is taking the consequences, even if the public no longer has any great illusions on the possibility of transcending economic reality through political desire.

The second criticism of the French is his lack of sincerity. The president has supposedly hidden reality and camouflaged his changes in direction. Opposition voters in particular voice this accusation. It is most frequently cited by those who do not like him (59 percent of those who grade him from 0 to 5 out of 20) and by upper level executives, professionals, industrialists and large business owners (39 percent). It is, however, at least in second place in most of the categories. This uneasiness with political changes that are not publicly stated is accompanied by the public's distrust of Mitterrand's very character. Only 16 percent of the French chose the adjective "sincere" to describe him last January (SOFRES-provincial papers survey).

Although definitely less often cited, the argument of his lack of consistency adds to this angle of criticism against Mitterrand. It is in third place among those who regret having voted for him. Everything having to do with presidential changes and his supposed versatility cost Mitterrand dearly.

However, the French do not support the criticism of incompetence. This has the support of only a large minority of those on the Right and of voters who do not give Mitterrand an average grade (32 percent). But the lack of modernity has the fewest backers. There are just 12 percent of Socialists and an equal

number of upper level executives who make this criticism of the president, but it is in these two categories that presidential archaism is most deplored. Mitterrand is perhaps not the ideal incarnation of the Socialist future but it is not because of that that he is most criticized.

#### Mitterrand Flies Too High

You cannot make people happy without their help. That in any case is the majority opinion (see Table 7). Mitterrand is accused of flying too high and of neglecting the people's wishes. The request that he listen more is particularly strong among those who regret having voted for him (80 percent), among laborers, farmers and small business owners. Upper level executives, probably more convinced of the benefits of austerity, most frequently advise the president to "continue to do what he thinks is right." On the political level this is true of a bare majority of Socialists while the Communists are massively hoping for a change. Forty-five percent of those who gave him a grade higher than 15 out of 20 believe Mitterrand does not pay enough attention to the opinion of the French. This shows the strength of this accusation. This criticism of Mitterrand's rigidity probably goes beyond the desire to see a more jovial economic policy implemented. It also goes back to the image of a man deemed "distant" and "not warm."

#### Mitterrand Has a Worse Grade Than Giscard

The more time passes, the more the French value the previous presidents of the Fifth Republic. This is what the grading by the French reveals. (See Tables 8 and 9.) General De Gaulle is a great success. A majority of the French today give him better than 15 out of 20. He surpasses 13 out of 20, on average, among the Left where he outclasses Mitterrand. Georges Pompidou also benefits from the indulgence granted by the passing of time. With an average of 13 out of 20, he is definitely judged better than Valery Giscard d'Estaing or Francois Mitterrand. Even on the Left he is generously given the average grade.

Opinions on the current president and his immediate successor are much less distinct. The Left grades Giscard as severely as the Right grades Mitterrand. But the disillusionment caused by the latter is such that he is right behind the former president, a terrible situation for someone who owed his election to a rejection of Giscard. Mitterrand does not get the average grade among youth from 18 to 24 years, where he is slightly surpassed by Giscard. Even among the social categories where he is most favored (laborers and employees, mid-level executives), he is followed closely by his former competitor and barely makes the average mark. He is generously graded only by Socialists. As for the PCF, they are rather distinctly divided: 26 percent do not give him the average, 41 percent grade him between 10 and 15 and 30 percent grade him higher. On the Right, RPR members are more severe: 28 percent of them give Mitterrand less than 5 points compared to only 17 percent of those in UDF.

## Mitterrand Is the Man of Failure

The French are not content to be extremely severe toward the current president. They state that their judgments will be divided "in 20 or 30 years." Mitterrand would then remain the man of a dual failure (see Tables 10 and 11). First, an economic failure: not having been the magician capable of getting the country out of the crisis with a wave of the Socialist wand. Then, a political failure: not having brought the proof of the Left's ability to stay in power. There are a lot fewer French who think that Mitterrand will go down in history as the champion of a "socialist renewal" or as the modernizer of the country. Even his image as being able to gather the Left together does not appear to have a bright future. On this question, the Communists and laborers are very hard on him. Paradoxically, upper-level executives are more restrained. They most believe in Mitterrand's future reputation as a modernizer, although in modest proportions (11 percent).

## A Clouded Image

The pertinence of a question on the future historic image of a head of state is definitely debatable. Those polled obviously cannot remove themselves from their bitterness of the moment. However, the survey as a whole still reveals the depth of the distrust the French have for Mitterrand, as if his unpopularity were already anchored in solid structures of opinion. Beyond the harshness of time, the president is finally victim of a cloudy image. Not only has Mitterrand changed, but the French no longer know who he is. Yesterday he was the man of the Union of the Left, the man "to change our life." Today he is a manager president who navigates between calls for banding together and reaffirming his Socialist convictions. A badly understood and poorly explained change. To emerge from this misunderstanding, Mitterrand must certainly reclarify his image. It is not a simple question of political marketing.

# 71% OF THOSE WHO VOTED FOR HIM DO NOT REGRET THEIR VOTE

Do you regret your vote of 10 May 1981?

1 Question asked of those who voted for F. Mitterrand or V. Giscard d'Estaing on 10 May 1981		<u>Yes, I regret my vote</u>	<u>No, I do not regret my vote</u>	<u>No opinion</u>
<u>TOTAL</u>	100%	16	80	4
Vote in the second round of the presidential election, May 1981				
Francois Mitterrand .....	100%	25	71	4
Valery Giscard d'Estaing ..	100%	3	93	4
PARTY PREFERENCE				
Communist Party .....	100%	27	67	6
Socialist Party .....	100%	8	80	2
UDF .....	100%	14	85	1
RPR .....	100%	14	81	5
OCCUPATION OF HEAD OF FAMILY				
Farmer .....	100%	11	82	7
Craftsman, small business owner .....	100%	22	70	8
Upper level executive, professional, large business owner .....	100%	9	87	4
Mid-level manager, employee .....	100%	18	79	3
Laborer .....	100%	20	76	4
Not working, retired .....	100%	12	84	4



# IT WOULD HAVE BEEN THE SAME WITH ANOTHER SOCIALIST PRESIDENT

If another Socialist had been elected president of the Republic in 1981, do you think things would have been better, not as good or the same since then?

2

	<u>BETTER</u>	<u>NOT AS GOOD</u>	<u>THE SAME</u>	<u>NO OPINION</u>
TOTAL .....100%	16	6	69	9
PARTY PREFERENCE				
Communist Party ...100%	27	7	63	3
Socialist Party....100%	12	10	72	6
UDF .....100%	18	4	70	8
RPR .....100%	16	5	74	5
OPINION OF THOSE WHO VOTED FOR MITTERRAND				
Regret their vote ...100%	26	4	61	9
Do not regret their vote ..... 100%	14	10	72	4

# 57%: HE HAS STAYED WITHIN THE LIMITS OF HIS OFFICE

Do you believe that Francois Mitterrand

3

		<u>Has Acted in an Unduly Personal Manner</u>	<u>Or Has Stayed Within the Bounds of His Office</u>	<u>No Opinion</u>
TOTAL	100%	30	57	13
PARTY PREFERENCE				
Communist Party ....100%		31	64	5
Socialist Party ....100%		11	85	4
UDF .....100%		43	43	14
RPR .....100%		43	44	13
OPINION OF THOSE WHO VOTED FOR MITTERRAND				
Regret their vote ....100%		42	45	13
Do not regret their vote ..... 100%		11	83	6

# HE HAS CHANGED FOR 54% OF THE FRENCH

Do you believe that Francois Mitterrand has changed since his election?

4

	<u>Yes</u>	<u>No</u>	<u>No Opinion</u>
TOTAL ..... 100%	54	38	8
OCCUPATION OF HEAD OF FAMILY			
Farmer ..... 100%	46	42	12
Craftsman, small business owner ..... 100%	53	37	10
Upper level executive, professional, large business owner ..... 100%	69	29	2
Mid-level executive, employee ..... 100%	58	36	6
Laborer ..... 100%	52	38	10
Not working, retired . 100%	49	41	10
PARTY PREFERENCE			
Communist Party ..... 100%	61	36	3
Socialist Party ..... 100%	44	51	5
UDF ..... 100%	60	33	7
RPR ..... 100%	60	34	6
OPINION OF THOSE WHO VOTED FOR MITTERRAND			
Regret their vote .... 100%	64	28	8
Do not regret their vote ..... 100%	49	45	6

# 39%: HE HAS NOT KEPT HIS PROMISES

In your opinion, what best explains Mitterrand's unpopularity?

5

He has not kept his promises .....	39
He is not sincere: he does not tell the truth to the French and he has changed his policies without saying so .....	28
He is not competent: he has badly managed the economy .....	18
He is not consistent: he easily changes what he is saying .....	17
He is not modern: he represents an outmoded idea of socialism .....	8
None of the above .....	21
No opinion .....	6

% (1)

(1) Total percentages greater than 100, since those questioned could give two responses.

# 67% OF THOSE DISILLUSIONED BELIEVE MITTERRAND DOES NOT KEEP HIS WORD

In your opinion, what best explains Mitterrand's unpopularity?

6

	<u>DOES NOT</u> <u>KEEP</u> <u>WORD</u>	<u>NOT</u> <u>SINCERE</u>	<u>NOT</u> <u>COMPETENT</u>	<u>NOT</u> <u>CONSISTENT</u>	<u>NOT</u> <u>MODERN</u>	<u>NONE</u> <u>OF</u> <u>ABOVE</u>	<u>NO</u> <u>OPINION</u>
TOTAL .....% (1)	39	28	18	17	8	21	6
PARTY PREFERENCE							
Communist Party	59	22	15	12	3	20	3
Socialist Party	27	8	7	10	12	47	5
UDF	41	45	28	29	9	8	2
RPR	45	47	33	17	7	4	5
OPINION OF THOSE WHO VOTED FOR MITTERRAND							
Regret their vote	67	27	16	23	5	6	3
Do not regret their vote	29	10	5	9	10	48	5

(1) Total percentages greater than 100 since those questioned could give two responses.

# 63%: HE SHOULD LISTEN TO THE FRENCH MORE

In the light of his current unpopularity, do you believe that Mitterrand should....

7

		<u>CONTINUE TO DO WHAT HE CON- SIDERS FAIR</u>	<u>OR TAKE THE OPINION OF THE FRENCH MORE INTO ACCOUNT</u>	<u>NO OPINION</u>
TOTAL	100%	29	63	8
OCCUPATION OF HEAD OF FAMILY				
Farmer .....	100%	24	64	12
Craftsman, small business owner ..	100%	23	64	13
Upper level executive, professional, large business owner .	100%	41	53	6
Mid-level executive, employee .....	100%	32	62	6
Laborer .....	100%	23	72	5
Not working, retired .....	100%	29	61	10
PARTY PREFERENCE				
Communist Party .	100%	19	78	3
Socialist Party .	100%	52	45	3
UDF.....	100%	21	73	6
RPR .....	100%	12	78	10

# 37% DO NOT GIVE HIM AN AVERAGE GRADE

If you were to grade each president of the Fifth Republic from 0 to 20, what grade would you give to ...

8

	CHARLES DE GAULLE	GEORGES POMPIDOU	VALERY GISCARD D'ESTAING	FRANCOIS MITTERRAND
0 to 4 .....	2	2	10	13
5 to 9 .....	2	9	23	24
10 to 14 .....	26	38	40	39
15 to 20 .....	58	39	21	18
No response ....	12	12	6	6
	100%	100%	100%	100%

# HE HAS A WORSE GRADE THAN GISCARD

Average grade given to the four presidents of the Fifth Republic

9

		<u>CHARLES DE GAULLE</u>	<u>GEORGES POMPIDOU</u>	<u>VALERY GISCARD D'ESTAING</u>	<u>FRANCOIS MITTERRAND</u>
TOTAL	%	15.0	13.1	10.2	9.7
VOTE IN THE SECOND ROUND OF THE PRESIDENTIAL ELEC- TION IN MAY 1981					
Mitterrand ..100%		14.1	12.0	8.3	12.2
Giscard d' Estaing ....100%		16.4	14.7	13.2	6.8
OPINION OF THOSE WHO VOTED FOR MITTERRAND					
Regret their vote .....100%		15.5	13.2	9.6	8.8
Do not regret their vote 100%		13.5	11.6	7.8	13.5
PARTY PREFERENCE					
Communist ...100%		13.9	10.3	5.7	11.7
Socialist ...100%		13.7	11.9	8.2	13.5
UDF .....100%		15.8	14.3	13.2	7.8
RPR .....100%		16.6	14.8	12.5	6.5

## 39%: HE HAS FAILED TO GET FRANCE OUT OF THE CRISIS

In your opinion, in 20 or 30 years, what impression will the French have of Mitterrand?

10

The man who failed to get France out of the crisis ...	39	(A)
The man of the Left's failure in power .....	33	(B)
The man of the Union of the Left .....	15	(C)
The man of the Socialist renewal .....	11	(D)
The man who modernized France .....	8	(E)
None of the above .....	11	(F)
No opinion .....	8	(G)

% (1)

(1) Total percentages greater than 100 since those questioned could give two responses.



# THE MAN OF FAILURE FOR 65% OF COMMUNISTS

In your opinion, in 20 or 30 years, what impression will the French have of Mitterrand?

11

(For correspondence of letters, see table 10 above)

	A	B	C	D	E	F	G
TOTAL ..... % (1)	39	33	15	11	8	11	8
PARTY PREFERENCE							
Communist Party ... %	29	36	19	10	9	9	7
Socialist Party ... %	17	10	26	26	21	16	4
UDF ..... %	60	58	11	3	2	3	3
RPR ..... %	54	51	10	3	2	8	5
VOTE IN SECOND ROUND OF PRESIDENTIAL ELECTION MAY 1981							
Mitterrand ..... %	30	21	22	16	15	12	7
Giscard d'Estaing %	54	55	10	3	1	7	6
OPINION OF THOSE WHO VOTED FOR MITTERRAND							
Regret their vote %	58	42	7	2	3	6	10
Do not regret their vote ..... %	20	13	27	22	20	14	5

(1) Total percentages greater than 100, since those questioned could give two responses.

## THE POLL:

Poll conducted for LIBERATION from 7 to 11 June 1985. National sample of 1,000 individuals, representative of the entire population 18 and over. Quota method used (sex, age, occupation of head of family) and categorization by region and size of community.

Editor Views Results

Paris LIBERATION in French 3 Jul 85 p 4

[Article by Serge July: "The Mitterrand Mystery"]

[Text] Mitterrand's unpopularity, especially since 1983, has become so widespread that it is one of the great questions of this term. It is patently unjust because opposition leaders are often heard (in private, of course) to admit that there is something irrational about this unpopularity. But it is to no avail. Mitterrand's rating has hardly budged, just like the forces between the political parties, which have been surprisingly stable for over 1 year.

A politician would have to be rather quaint, overcome by events or lacking in courage for the question not even to be asked. But this is not the case. Mitterrand has made his mark on the eighties, more perhaps than some of his predecessors did during their terms in office. So we can justly speak of a "Mitterrand mystery."

The Rejection of 1981

Speaking about the future in private, he recently had this bitter word to say about Pierre Mauroy: he has no presidential future "because he is too marked by the Union of the Left." An even more bitter statement because it is a boom-erang: even more than Pierre Mauroy, Francois Mitterrand is the one who is marked by the Union of the Left and the joint program, by the dream of a France which, thanks to him, would have been miraculously spared the crisis. These are the trials which indissolubly linked Mitterrand's fate to the Union of the Left's. The failure and then the dropping of the 1981 policies (which was to all appearances a courageous move) had to inevitably rebound on the man who, more than any other, incarnated these policies.

This failure stands out even more because the 1981 presidential election did not see a strong grass roots movement in favor of Mitterrand and his program but a genuine movement to reject Giscard. Better Mitterrand than Giscard--for lack of anything better--and France at the polls took a chance on the Union of the Left. But the election caused an unbelievable misunderstanding between the voters and Mitterrand. Mitterrand had free rein: his victory was not a victory for the joint program but for a man toward whom those disillusioned by Giscard turned. In the euphoria of victory Mitterrand himself, the Socialist party and the Communist party made it a victory for the Left's program. This explains the magnitude of Mitterrand's rejection--the feeling of having been "deceived" twice. They voted for Mitterrand--not for his program--against Giscard and then when this program was put into practice it did not have all the expected effects.

This rejection of the promises of 1981 is singularly selective. Contrary to what the opposition pretends to believe, it is striking to note that this is not a rejection of the entire Left. To a certain extent the public has voted for the Left through the surveys. In contrast to the unpopularity of the Mitterrand-Mauroy pair there is--in a similar context--the incredible popularity of men who, certainly individually, incarnate the established Social-Democratic party, whether

it be Fabius, Delors or Rocard. This is an even more surprising paradox because the latter are among the personalities of any political class who are the most popular and esteemed by the French.

Mitterrand chose not to choose the established social democratic line, so this popularity has built up and developed against him.

#### The True Image of a False Resignation

In a private conversation last spring, Giscard's former minister of foreign affairs, Jean-Francois Poncet, made this statement: a modern statesman has two or three major strategic decisions to make and the rest of the time he tries to make the fewest mistakes possible. The former minister admitted that Mitterrand made two right decisions: the decision on the Pershing missiles in 1981 and the policy of austerity in 1982-83. Jean-Francois Poncet added ironically that the rest of the time Mitterrand "spent correcting the mistakes he made...like Reagan."

It is a fact that Mitterrand is not one of those statesmen who bypasses major decisions when he is not carefully avoiding them. However, Mitterrand's image in French public opinion is that of a head of state who since 1981 has been marked by events rather than being master of them. So much so that in the end Mitterrand has not gotten any benefit from his strategic or tactical decisions; on the contrary, even those deemed to be basically positive are considered liabilities.

The case of the policy of austerity is a good example in this respect. It was never chalked up to his credit and for the public everything has happened as if this policy was done in spite of him and in spite of the prime minister at the time, Pierre Mauroy. He gave the impression that he was enduring the policy of austerity. In fact he endured it as much as he decided it.

The public had the proof with the austerity plan when in March 1983 Mitterrand refused to assume the political consequences. Through the PS he made it known that this was only an aside--ah! the theory of the aside--and that the same policy was continuing, when he should have been setting up a government that agreed with austerity and was so recognized by the public, which in this case would have meant the most popular men of the non-Communist Left.

So when Mitterrand named Fabius prime minister in July 1984 after the defeat of the private school issue, it was too late. There was even a Fabius countereffect as far as the president was concerned--Fabius' popularity had overtones of disavowing Mitterrand and faced with this problem he was forced to change policy. And that is why he benefited neither from Fabius' appointment nor from the Communist's departure.

#### A President Who Does Too Much

The "monarchy" criticism of the Communist party was not echoed by those surveyed. And the fact is that compared to his predecessors Mitterrand does not stand out particularly. The accusation stuck against Giscard but it will not stick against Mitterrand. On the other hand, there is a certain amount of hegemony in the

president's management that has incontestably hurt Mitterrand and his image. Until Fabius' appointment he was president of the republic, minister of foreign affairs, de facto prime minister, and secretary of state for industry (the press conference on the iron and steel industry) all at the same time while still being the main leader of the PS. Didn't we see the upper echelons of the PS follow the ministers at the president's table every Wednesday at noon and the first secretary of the PSF being officially received every Tuesday morning?

In the presidential system fashioned by De Gaulle the head of government leads the majority--in other words the dominant party--and he makes all of the current political decisions. There is a separation of roles. With Mitterrand there was a confusion of roles. The stupidest statement by a PS leader or the slightest governmental squawk automatically increased the president's liabilities.

Already marked by the strategy of the Union of the Left and by the joint program, nothing more was needed for Mitterrand to be enclosed in the image of a president of the Left. He is still today a prisoner of this and this accounts for the futility of his appeals for joining together.

Mitterrand reacts: to form an opinion, to make a "definitive" decision he needs to make things move and to exacerbate contradictions. This is a phase in his thought process. A thought process which is all the longer and more tortuous because Mitterrand is basically an intellectual who must first master all the arguments and counter-arguments before announcing his decision. And even then he tries not to be a prisoner of that decision, he avoids giving this a decisive, clear, definitive character. This is how, by believing he is keeping his freedom to decide, he ends up alienating the public. A terrible misunderstanding which means that only the "feats" are remembered and the effort which is made over the long term is forgotten.

#### A President Who Is "Too" Complex

As paradoxical as it might seem for policies of his caliber, for a head of state of his ability, Mitterrand is an intellectual confronted with problems of action. Rarely do you find in him a quick breaking off, that almost immediate inspiration for making decisions to which one sticks regardless. Mitterrand intellectualizes situations to such an extent that decisions lose their clarity, they become lost in a maze to which he alone has the key. This makes him the president of contradiction, continuously worried about weighing the thesis and antithesis in order to better formulate the required synthesis. So much so that he is probably the last of the great dinosaurs of the Fifth Republic, alone capable in this respect of integrating all the elements of French diversity. As Michel Jobert said so well: "It is an active force but it is difficult to distinguish its outlines." And it is apparently that force that the public is losing from sight, because in order to see it he would have to rebuild the puzzle of his conviction and decision. From the standpoint of communication the results are obviously striking. Although Mitterrand had a relatively clear image in 1981 (the Union of the Left and its program), it became cloudy in 1982 and since then has been total confusion. So that after 4 years of the presidency, Mitterrand is almost



an unknown for the French. An elusive head of state who seems to cultivate ambiguity like a mask behind which his immense modesty and his no less intense timidity can find refuge. In this respect the success of Catherine Nay's book is very revealing. The French are not indifferent toward Mitterrand. He intrigues them so much that they are clamoring for a book that supposedly provides the means to figure him out.

Because in sum Mitterrand is a very active president. On many levels he has voluntarily, and to a lesser extent involuntarily, helped to open up French society. More than any other head of state at the time he "thought" and "acted" out the change in European society. Yet there is still rejection in the air. Quite simply because the public has not been able to follow this man who is decidedly too "complex" and whose words, upon second thought, always seem liable to be addressed to others. More than ever a society that is changing, like French society, most needs complexity to be controlled. The only problem is that during a period of crisis only simple men--men with one or two simple ideas--become popular. This is Mitterrand's story. But it is perhaps also what provides his quality.

#### Dupin Analyzes Poll

Paris LIBERATION in French 4 Jul 85 p 8

[Article by Eric Dupin: "A Likability Which Has Never Grown"]

[Text] The French admire him but do not like him. The split between the French and Francois Mitterrand is an old one as shown by the polls. But this did not prevent him from being in the "election" phase at the right moment.

At the polling stock exchange a savvy speculator should have bought Mitterrand in November 1980 and sold everything in June 1981. Six months before his election the future head of state was quoted at only 31 percent on the SOFRES popularity scale. Less than one-third of the French hoped he would play an important role in the future at that time? A curious coincidence: in the latest IFOP poll, 31 percent of the French stated that they were "satisfied with Francois Mitterrand as president of the republic" 4 years after he entered office. The former Socialist leader has returned to square one of his unpopularity.

Mitterrand is not a sure commodity for the pollsters. Even his personality has never really charmed the public. The comparison of SOFRES surveys on his image shows that it has changed little over time. In July 1976 the French complained in particular that Mitterrand was "authoritarian" (30 percent), "opportunistic" (24 percent), "haughty" (19 percent), "hypocritical" (18 percent) and "superficial" (18 percent). The qualities for which he was most recognized were "intelligent" (55 percent) and "cultivated" (25 percent) in 1976 and "tolerant" (33 percent) and "competent" (20 percent) today. The continuity of the picture is striking. The French admire Mitterrand but do not like him. The man seems to them to be distant, even elusive, so there has been a partiality toward him that has never really gotten off the ground. In January 1982 at the end of his "honeymoon" only 50 percent of the French felt any "personal sympathy" for Mitterrand (compared to 40 percent who did not)(SOFRES-provincial papers poll).



The current president did, however, have a golden period in the opinion polls. After May 1968, his rating hit rock bottom but it slowly climbed after he took over the PS in 1971. From 1974 to 1977 he even had a distinct majority of good opinions in the SOFRES polls. At this time when the Union of the Left was increasing in strength Mitterrand crushed Rocard. He was the man of hope and change. His high point was during the last beautiful days of the PS-PCF alliance. In June 1977, 76 percent of the French hoped he would have a good future. The break in the Union of the Left and the failure in the 1978 legislative elections damaged his popularity. Surpassed by Rocard, Mitterrand no longer gained the favors of public opinion. However, he did not become discouraged and because of his mastery of the political game he was able to make the pollsters' oracle lie. In the heat of the presidential campaign Mitterrand made a spectacular recovery in the polls: between January and April 1981 his rating for the future climbed from 35 percent to 55 percent. He knew how to be the man of the moment.

Mitterrand's path through the opinion surveys was going to reserve other surprises. First of all, the surprising "honeymoon" that he predicted during the campaign. This was the first record broken by Mitterrand. In the memory of the pollsters, no president of the Fifth Republic had caused less hostility after his election. In June 1981 the group of "discontents" was at an irreducible 16 percent (IFOP). Leftist France acclaimed him and the Right, still in shock, reserved its opinion.

But the descent into the abyss of unpopularity was not long in coming. The president more or less maintained his position until spring 1982. In June of that year, while the tip of austerity's nose was being seen with the wage and price freeze, the first decline was noted. Mitterrand definitely headed for the red in September: his IFOP popularity rating became negative only 16 months after entering the Elysee. Another record--Giscard met this fate more than 2 years after his inauguration. De Gaulle and Pompidou never had to deal with such a situation.

The austerity plan of spring 1983 marked the second decline in the president's rating. The figures are impressive: from March to April the "discontents" climbed from 38 percent to 48 percent while the "satisfied" fell from 45 to 38 percent (IFOP). From this time on Mitterrand would be a prisoner of grumbling and bad temper. A few international adventures such as the Manta expedition in Chad or his initiatives in Lebanon managed to raise his rating a bit but there were no long-term effects. Mitterrand then stayed at a level of unpopularity that was unprecedented during the Fifth Republic. He broke the IFOP record previously set by Giscard in March 1981. Two months before his election loss the former president satisfied only 35 percent of the French while Mitterrand, as early as May 1983, hit 33 percent.

It has now been 2 years that the president has been liked by only one Frenchman out of three. Unlike his predecessors, he cannot count on any indulgences from the opponents' camp. The Right seems to have a hostility toward him that nothing can dampen. Mitterrand did not benefit at all from the departure of the Communists. Similarly, the sympathy for Fabius among the moderate voters did him no good at all. To his misfortune, the disillusionment of the left flank of public opinion must be added to this severity on the Right. Laborers and employees are mired in discontent. Communist sympathisers have wallowed

in declared hostility. Together the political rejection of the Right and the economic bitterness of the Left prevent the president from being heard.

Since the beginning of 1985, however, Mitterrand has not been on a downward slide. He touched bottom in November 1984 with 26 percent "satisfied" (IFOP). Latest results indicate a slight improvement. The head of state gained 5 points in the BVA June poll; good opinions of him climbed to 42 percent while bad ones fell to 51 percent. The results are no less negative for other polls. According to SOFRES Mitterrand has the "confidence" of only 41 percent of the French (compared to 54 percent without confidence in him). According to IFOP he dissatisfies 48 percent while he satisfies 31 percent. It does not really augur well to stabilize his positions at this level.

It all seems as if Mitterrand was never popular by himself. It is his ability to personalize political hope--during the Union of the Left as in 1981--that made him attract the public. Deprived of a real popular aura Mitterrand has known how not to distance public opinion at decisive moments. Will he be capable of this again?

9720

CS0:3519/238

POLITICAL

FRANCE

CHIRAC VIEWS ELECTION ISSUES, PRIME MINISTER, PCF

Bordeaux SUD-OUEST in French 28 Jun 85 p 4

[Interview with Jacques Chirac, president of Rally for the Republic, at the Paris town hall, by Joel Aubert and Jean-Francois Bege: "Jacques Chirac: Chaban's Convictions are Also Ours"; date not specified]

[Text] Jacques Chirac, president of the RPR [Rally for the Republic], today visited the Gironde. At the Paris town hall, he answered SUD-OUEST's questions without evading the issue of the possible appointment of a prime minister named Jacques Chaban-Delmas.

[Question] You have recently made some sharp comments about Francois Mitterrand's "personal responsibility" for the current situation and about the election reforms. What does the "hand outstretched" speech in Languedoc mean to you? In addition, will you accompany the president of the republic in a "crusade" against communism?

[Answer] I will answer Mitterrand on the basic issues in Bordeaux, after I have carefully read the text of his speech. As for his attitude to the communists, it is characterized by constant ambiguity which, a priori, does not inspire me with any confidence. The Marxist influence claimed by a number of his associates disturbs me greatly. That Mitterrand has a great capacity for dominating the political scene, and that he is an able and clever politician, I have no doubt whatever. But I do not think that one can envisage a "crusade" against communism in our western democratic world, where the PCF [French Communist Party] is being edged out. It would serve no purpose. The Communist Party, which holds to political, economic and philosophical values that are now passe, will continue to move to the fringe by itself.

[Question] In your opinion, is our lag in modernization the result of the policies followed for the last 4 years, or do they date much further back as the president of the republic claims?

[Answer] The president of the republic shows a lot of gall when he claims that the former majority is responsible for the lack of modernization. I am not saying that the former majority was without fault, nor am I saying that it did everything perfectly, but it came to power in the 60's when the country was way behind.

For 4 years now, we have been losing ground. First, because concessions were made to consumer demands to the detriment of investment. Then, because there was a failure to guarantee minimum incentives to all the key people in economic life, the workers and business leaders. The proliferation of all kinds of taxes, suspicion of everything that might affect profits, nationalization of a certain number of sectors of activity, the waste--in Chapelle-Darblay each job cost Fr 3 million--all this prevented the modernization of the economy. I am not saying that everything is bad, but the balance on the whole is negative.

#### Reducing the Role of Government

[Question] But from the perspective of a recovery after a political changeover, are there not differences between those who--like Raymond Barre--advocate strict budget austerity, and the supporters of the "Gaullist school" who call for a more voluntarist policy?

[Answer] It is true that one can conceive of two approaches to recovery.

Today, the magnitude of the tax burden is such that two consequences result: one is psychological, namely discouragement, and the other, sociological in nature, is the increasing socialization of our country. In large part, this socialization is dependent on the finances that the government itself allocates by increasing obligatory taxes a bit more each year.

From that point, one can see things in two ways. The first consists in saying: the first priority is to reestablish the economic balance in the shortest time possible, and to reduce the deficit. The result of such a policy would be to make it impossible to reduce obligatory taxes.

But for my part, I do not want to see the continuation of an approach that in fact has been followed since 1974, which consists in calling on French taxpayers so that the government can continually increase its operations.

The second view--ours--of recovery involves the reduction of the government's role in some sectors and even its withdrawal. To stop the process of "social democratization" of our society, we must first permit the government to concentrate on ordinary responsibilities and to leave many other sectors to private

initiative. Then, efforts should be aimed at the reduction of the imbalances which undermine society.

The approach which consists in saying: "We must manage our affairs well, and manage them better" corresponds, moreover, to Fabius's statements--I am not talking about his actions but his statements--and does not contradict the process of socialization of society. In my opinion, we must act and change course.

#### New Caledonia: A Racket

[Question] There will be elections this summer in New Caledonia. Are you still determined to fight for the territory to remain French?

[Answer] The majority of New Caledonians support a constitution which declares that the territory should remain in the republic. Let's put an end to doubt by organizing a democratic referendum, by virtue of people's right to self-determination. On the assumption, which seems to me most probable, that the response would be positive, a constitution in accordance with Dick Ukeiwe's proposals could be quickly adopted.

I do not set much stock by the elections which will be organized this summer. It is necessary to participate in them, but the present ward division is unfair and obviously tends to favor a party from the New Caledonian community over another party.

It is a racket, and I continue to advocate a referendum.

[Question] What thoughts do you have on the Fabius-Jospin dispute?

[Answer] I may surprise you, perhaps, but I am not at all happy about it. The opposition was the victim of a campaign carried on in inordinate fashion because of the leaders' war. That made no sense and was harmful to democracy inasmuch as the attempt was made to promote the idea that politicians act out of personal interest. In this way, people become alienated from their democratic representatives. It is unhealthy.

It would only be fair for the Socialist Party today to be subjected to the same treatment. This sort of thing discredits politicians as a whole. I prefer to think that it is a dispute on a matter of principle, and not a personal dispute.

[Question] Will there be many joint UDF-RPR [French Democratic Union-Rally for the Republic] tickets?

[Answer] We have no fixed position on the subject. We must get the largest possible number of deputies elected, that's all. We will not set any rules but will examine the problem case by



case, according to criteria of effectiveness. The secretary general made the indicative commitment to publish the names of the leading men in about 80 percent of the departments before the end of July. There may also possibly be a list of "runners-up" for the joint opposition tickets.

Coalition: Without Compromise

[Question] To our knowledge, you have never said what you would do if Jacques Chaban-Delmas were appointed prime minister by Mitterrand.

[Answer] People credit a lot of intentions to Jacques Chaban-Delmas and that is to be expected because only the rich get credit. I have never heard Chaban-Delmas, with whom I meet every week at the RPR political office, offer himself in any way as a candidate. I have observed that he always states his convictions very firmly, and those convictions are exactly those of our party.

What I want to say, as far as I am concerned, is that I would not give my support to a government which would not commit itself unequivocally to policies defended by the opposition during the election campaign. And this without there being any question of some sort of compromise with the Socialist Party or with the president of the republic should he think he ought to stay on despite an upset.

9824

CSO: 3519/239

POLITICAL

FRANCE

CHIRAC ON CONSTITUTIONAL ISSUES, LEGISLATIVE ELECTIONS

Paris LIBERATION in French 29-30 Jun 85 p 3

[Article by Marie Guichoux: "Chirac No Longer Reflects, He Runs"]

[Text] Chirac would rather do the footslog-  
ging than take any risks on subjects that could  
reopen opposition disputes. Yesterday, in the  
Bordelais area, he avoided dwelling on the "co-  
alition" issue and the reduction of the presi-  
dential mandate proposed by Giscard.

There is nothing like a good set of activist gymnastics. It  
wards off mind numbing pitfalls, and it develops muscles.  
Jacques Chirac, who has launched his election campaign out on  
the field--with a stop in the Gironde area yesterday--seems to  
find that that is the best medicine both for him and his party.  
Let Giscard spend this time rethinking the constitution, Chirac,  
for his part, thinks that "the problem does not arise." "Let  
President Giscard d'Estaing," he said yesterday afternoon at the  
Bordeaux Press Club, "call to mind distant future prospects; po-  
litically, that is normal in a man's thinking (like his, roughly  
speaking). For his part, Chirac is "extremely cautious": "Our  
constitution, which is not perfect, is the best of possible  
institutions for the Fifth Republic," he declared. And marvel of  
marvels: "As Pompidou used to say, it is much more flexible than  
people think."

To all Giscard's reflections, Chirac says no. There is no hurry.  
Reducing the presidential mandate is admittedly a "useful re-  
form," but it is also "an old sea dragon." In 1986, the opposi-  
tion will already have to deal with the recovery, and that is no  
small thing. "Let's not create unnecessary problems but let's  
try to deal with those that are really there," the RPR president  
stressed. So the answer is no. But since he is fairly buddy bud-  
dy with Giscard right now, he says politely that he is happy to  
discuss it with him. Sharing the same platform on the coalition  
issue, Giscard and Chirac are of one mind when it comes to  
election reforms, and also when it is a matter of election

tactics. Chirac leans definitely in the direction of separate tickets. O concord! But as Chirac says, everything is going well because "where goals for the recovery are concerned, we are all agreed" (sic!) (and what is more, he finds Barre "considerably" more open to a coalition). On the other hand, the RPR president made a point of replying to Francois Mitterrand's gesture. "No one had better count on us to fly to the rescue of socialism in danger," he replied. If Mitterrand wants to try a change because of "the disintegration of the majority which resulted from the 1981 elections," if he wants to try "imposing a new deal," that is his affair. The RPR and the UDF, Chirac insisted, "have made up their minds to rule together and only together."

All that remained for him to do was to put a distance between himself and the spectre of coalitionist fecklessness. "More than ever," he insisted, "the opposition must be ready to assume fully, beginning in 1986 if voters so decide, all the responsibilities for national recovery. On the other hand, it should think less than ever of agreeing to lame compromises with a failing administration." All the responsibilities? If Mitterrand is willing to quit, it is certain that Chirac will not be sorry. That is his game plan. But one does not get the impression that the RPR leader has an irresistible desire to engage in intellectual gymnastics with all kinds of theories and projections. He knows that action suits him better.

Yesterday, then, he treated himself to a trip in the Gironde area. He had two goals: to work over the Libourne district--that of Mitterrand junior (Gilbert, "that charming nonentity," as one vine grower labeled him), with the local RPR protege in tow, Gerard Cesar, a man from the viticultural milieu. Then in the evening, some public flirting with Chaban in Bordeaux. The first stop yesterday morning was Libourne. Chirac started with the market. The bathing suit stall and the rest. "Hello! Hello! Pressing the flesh is something he laps up. "Hello madam" is the long version. Everything is happening too quickly for the little old man with his repeated complaint: "Just what is this procession all about?" With children, Chirac's formula is "Hi, you!" When things are really moving too fast, Chirac gets carried away, and says "Hi!" to the oldest woman and "hello" to the kids. The whole thing was accompanied by the priceless statement: "If there is a bit of country that I really feel intimate with, it's Libourne."

His second stop was Coutras. Jean-Louis Bosq, the new RPR mayor, seemed like the Holy Virgin in front of Jesus. A road along a bank was officially opened (the Charles de Gaulle Promenade), a street (Georges Pompidou), then another (Robert Boulin). The people of Coutras clicked their instamatics. Afterwards there was a walk through the vineyards: Pomerol, Cheval Blanc, Beau Sejour. They stopped at Beau Sejour for lunch. The owner commented on the 1973 vintage served, which beat the eight best

Bordeaux wines in a blindfold tasting competition: "Small women give a lot of pleasure," said Becot, "so why shouldn't small vintages?" Chirac, who never fails to make a return crack, replied: "Mr. Becot of course has a charming wife, since she is from Correze. I beg Mr. Becot to convey to Ginette my Limousin regards." Before the RPR departmental committee gathered for the luncheon, the party leader pleaded for stumping in the district (because of the return to the system of election by absolute majority) and lauded the comparative merits of single and separate tickets. In his view, the latter make it possible to "use a wider rake," and to "minimize the impact of the National Front and the temptations of unauthorized tickets."

One can see in what direction the pendulum is swinging. In Saint-Hippolyte, the platform was mounted on wine casks. In Rauzan, Chirac was made a "companion of Bordeaux" by the Bacchic confraternity. Red cape, fur collar and tutti quanti. Then he returned to Bordeaux, and was seated with Chaban at the evening party. This second flirtation, after the historic accomodation of May last year, left some Chaban followers pensive. Chaque Chirac, as a matter of fact, contrived to emphasize (by means of an interview with SUD OUEST yesterday) that he and Chaban have exactly the same opinion on a coalition with the socialists. That provoked an associate of the Bordeaux mayor to say: "Looks like trouble ahead!" What a pessimist.

9824

CSO: 3519/239

POLITICAL

FRANCE

GISCARD, LEOTARD VIEWS ON CONSTITUTIONAL ISSUES EXAMINED

Paris LIBERATION in French 29-30 Jun 85 p 3, 4

[Article by Eric Dupin: "Presidentialism Attractive to Giscardists"]

[Text] Valery Giscard d'Estaing and Francois Francois Leotard speak in favor of a presidentialist change in the system of government. It is a desire that has already been expressed by many socialist leaders.

Both on the left and on the right, more and more voices are speaking out in favor of a presidentialist change in the system of government. Valery Giscard d'Estaing and Francois Leotard have just made clear statements to this effect. Then so did Jean-Pierre Chevenement and, in less open manner, Lionel Jospin.

It is true that the institutions of the Fifth Republic, corrected by the establishment of the proportional system, now disturb a lot of people. The quarrel between Fabius and Jospin highlighted the considerable difficulty the Socialists have in adapting to the system inherited from General de Gaulle. The rigidities of the fundamental legal system bring the Right face to face with the formidable problem of "cohabitation." Raymond Barred alone rejects it with the risk of weakening the opposition in its claim to effect a changeover. Jacques Chirac will consider it but thinks nonetheless that Francois Mitterrand should resign if his supporters are massively rejected in 1986. That is a hypothesis that the president of the republic has once again clearly repudiated during his visit to Languedoc-Roussillon.

Having been elected for 7 years, he is determined to finish out his term, whatever the ups and downs of political life may be.

As a longtime coalitionist, Giscard recognizes, in his own way, that the case in point presents a problem. In an interview with FRANCE-SOIR, he concluded in favor of the necessity of "seeing to it that the problem could not arise again in the future."



That was why he proposed three constitutional revisions: "Reducing the presidential mandate to 5 years; in future, staging simultaneously" the legislative and presidential elections; "appointing a vice-president of the republic." Giscard would stop there. But these three reforms would not be enough to prevent the manifestation of discordant expressions of universal suffrage between the presidential and legislative levels. To guarantee that they occurred simultaneously, the right of dissolution would have to be abolished. Without that, the two types of election procedure would again overlap. It would be strange from a judicial point of view, in the event of a dissolution, to elect a new assembly for a period equal to the mandate remaining to its predecessor. Another solution was put forward by constitutionalist Olivier Duhamel in LE MONDE of 27 June. It would consist in the obligatory conjunction of the dissolution of the National Assembly with the resignation of the president of the republic. Such a provision would no doubt cause the right of dissolution to fall out of use.

In short, the goal of the synchronization of the presidential and legislative elections can only be reached by means of a thoroughgoing presidentialization of the system of government. This implies the abandonment of the right of dissolution and, correspondingly, that of the responsibility of the government before the parliament. Francois Leotard clearly went on record in support of this line of thinking on Thursday night on TF1. In addition to what Giscard is proposing, the secretary of the republican party suggests "abolishing the position of prime minister" and contemplates the abolition of the right of dissolution. This group of reforms, in his opinion, would result in a better balance of power by allowing the parliament to "really legislate."

These statements of position reveal converging tendencies with the constitutional leanings of some socialists and radicals of the Left. Jean-Pierre Chevenement is known to be an ardent supporter of "an openly and directly presidential system of government" in which the government would proceed from the head of state, himself elected for 5 years. Similarly, Lionel Jospin recently envisaged a presidentialist development of the establishment which would call into question several basic elements: "the existence of the prime minister, the length of the president's mandate, the right of dissolution, the role of the Constitutional Council, and the balance between the legislative and the executive branches." Jean Poperen was the first socialist to recommend these kinds of reform.

The choice of the proportional system had the effect, among others, of seriously splitting the institutional consensus which benefited the Fifth Republic. It is not by chance that only convinced supporters of election by absolute majority (broadly, Raymond Barre, Jacques Chirac and Michel Rocard) defend the

present constitutional balance. There is change in the air. Reforms do not happen overnight. The history of the 5-year plan shows that tactical considerations often triumph over agreements on content. What is more, nothing proves the viability in France of a fully presidential system of government. Even if elected at the same time, the president and the assembly could run into conflict. Especially since the difference between the methods whereby they are elected hardly favors identical legislative and presidential majorities. Hence there would be a serious risk of deadlock when a conflict arose which could not be resolved by recourse to dissolution.

9824

CSO: 3519/239

30 August 1985

POLITICAL

FRANCE

## UDF PROPOSALS FOR MEDIA REGULATION VIEWED

Paris LIBERATION in French 29-30 Jun 85 p 7

[Article by Philippe Gavi: "The UDF Announces its Battle Objectives for the Media"]

[Text] On Thursday, Alain Madelin made public the UDF communications programs. The government would keep only one television channel, one radio station, and the INA. But no precise procedures for its withdrawal were given.

"Freeing up communications" was the title of the report on communications presented on Thursday by Alain Madelin, speaking for the UDF [French Democratic Union]. In his preamble, he briefly recalled that "unfortunately, the Socialists have inherited a state monopoly of the media." He went on to explain that "at the beginning of the 80's,"--why not say plainly after May 1981 and not before?--"this stage in the history of communications was obviously ending. We were finally leaving an odd media system, with its own particular status and duties, to inaugurate a system of free choice." Apparently, the Socialists had nothing to do with it since "this new free perspective was profoundly foreign to the Socialists."

None of the opportunities that were opened up are looked upon favorably by the UDF. Like Chirac, Giscard, Barre, Cluzel and Pasqua, they prefer to insist clumsily on the "incoherence" of the Socialist policy. There one has the two themes of the opposition: by ideological nature, those governing you are destroyers of freedom, and when they try to do anything else the result is always a blunder, unrealistic, a failure. The Socialists wanted to do "a half job of restoring freedom to the privately run radio stations" because the advertising took a year to be legalized. The higher authorities "were able to register some achievements" but these were on minor issues, and the umbilical cord linking television with the administration was not cut, as stated when channel presidents were appointed. The cable project is ambitious but "incoherent," and a "state voluntarism" in conjunction with absurd regulations "hinder any real

development" (one wonders why opposition municipalities signed agreements with the P&T [Postal and Communications Service]). Canal Plus is a "huge disaster." And so on. And "the Bredin report follows the same approach and can only lead to further failures."

So what does the UDF suggest? First of all, the UDF suggests. And since the opposition seems to be partial to cutting a figure with the media, one may wonder whether once in power, it would not have there one of the only areas where it could create the event by the change. This means that by constantly committing itself to it, it would be obliged to carry it out. But how? Let us go on to ideological considerations. "The UDF advocates a truly free system." "Freedom of communication is indivisible." In the government agreement signed on 10 April, therefore, the RPR and the UDF undertook to provide a better constitutional guarantee of a certain number of freedoms, including in the first rank "freedom of the press and radio and television communications." Based on that, the UDF plans to propose a general law on communications drawing inspiration from these principles of freedom.

It remains to be explained what is meant by freedom. The UDF presents as a basic equation: freedom equals "degovernmentalization, opening up to competition, and the clarification of the functions of the government." This is to be achieved by the setting up of a seven member "independent communications authority," four of whom would be appointed by the majority, and the three others by the opposition in the national assembly and in the senate. All a bit fuzzy. Judicially, it could be an administrative authority, as is currently the case, but the UDF prefers a judicial authority under the supervision of the first civil division of the Supreme Court of Appeal.

To ensure the observance of the rules of competition, all abuses of positions of power, any merging of the media, would be penalized. At the top of the list would come those of the state which should therefore pull out of: the Havas agency, and therefore Canal Plus and RTL, SOFIRAD, and therefore Europe 1, RMC and TMC, and two of the three public channels. No details are given of the procedures to be followed which are nevertheless important: who will take the place of the state, and under what circumstances? Should powerful companies be preserved, whether public or privately owned, which would be able to compete on the international level? The government would still maintain a public sector, exclusively financed by licence fees, which would truly take on its vocation: a television channel and radio station with an educational and cultural task. Here too, the proposal remains muddled and hardly workable, causing some to fear a cultural ghetto; others think that such tasks could be carried out better by means of specific grants to private channels. TDF would become "an independent service providing company which

would be open to new programming companies." The SFP would become "a common law company," the INA would remain a "public institution," and a company such as SOFIRAD would be responsible for operations separate from the state.

Since licencing fees, which they are proposing to reduce, are to come from the public sector, a transition period is envisaged in which a portion would be paid into a fund intended to foster creativity, and possibly to compensate certain special contractual expenses incurred by public channels that have been turned over to the private sector. Video tape recorder fees would be abolished. The development of cable networks would not be reserved for semipublic companies, and their establishment would not be the monopoly of the future National Telecommunications Company. Where movies are concerned, the channels' main "prime fare," one recalls the desire to see them benefit from various forms of protection; without going any further, one learns that the UDF would strengthen its "working relations with movie professionals." Finally, the law governing the press would be abolished, without any further specific details being given.

9824

CSO: 3519/239



POLITICAL

FRANCE

TACTICS, CHARACTER OF LEOTARD, OTHER 'YOUNG LIONS' VIEWED

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 6 Jul 85 p 5

[Article by Klaus Huwe: "Young Lions Ready To Pounce--New Generation of French Politicians Has No Use for Wheeling and Dealing or Empty Phrases;]

[Text] A lot of people keep addressing him as "Philippe" rather than as "Francois," but the mayor of Frejus on the Mediterranean and secretary general of the Republican Party disregards that with a smile. Though Francois Leotard is in hot pursuit of former Prime Minister Raymond Barre on the popularity scale of politicians of the opposition, his popularity is of only recent date; Philippe, the younger of the Leotards, had long been a household word for moviegoers as a gangster or police detective when Francois was still gathering his first experience in politics in the antechamber of the then Minister of the Interior Michel Poniatowski.

As late as a year ago, Francois Leotard was still unknown to most French people. Today he no longer needs to be envious of his brother's popularity as an actor. Shortly before the Europe elections of 1984, his patron Giscard d'Estaing predicted a great political future for him. The place which Leotard has since gained on the political stage appears to confirm this forecast.

The current secretary general of the Republican Party, now 43 years old, earned himself the promising praise of Giscard d'Estaing with his criticism of the election tactics of the opposition. In protest against the decision of the non-socialist parties to present a joint slate against the left at the Europe elections, Leotard had temporarily dissociated himself from the leadership of the UDF, which next to the Gaullist RPR is the second pillar of the opposition as the umbrella organization of Republicans, Centrists and Liberal Radicals. The election result proved him right: if the RPR and UDF had run separately, they might have been able to gather more voters around their banners and to take a number of votes away from the extreme rightist National Front.

The straightforwardness shown by Leotard in that episode, a matter which has long been closed, is characteristic of the new type of French politician he represents. He confesses: "I would rather lose with my own ideas than win with the ideas of others."

Lame compromises, wheeling and dealing, and the opportunism of political toy dolls are just as alien to the "young lions" of the opposition symbolized by Leotard as are the empty phrases still in vogue on the left. The young voters who will vote for the first time next spring have already given their verdict. According to opinion polls, they classified as "old-fashioned" and "outdated" Mitterrand's first prime minister, Pierre Mauroy, who was replaced by Laurent Fabius a year ago, as well as the Socialist Party head, Lionel Jospin.

If the new National Assembly elections of 1986 result in the expected swing to the right, the style and substance of French politics will nevertheless not revert to the year 1981. There is every indication that the generation of liberals and conservatives which has come up since the election victory of the left will put its stamp on French politics.

Leotard is not alone. A whole pride of "young lions" is ready to pounce. Not all of them followed the road of the secretary general of the Republican Party, who at one time vacillated between the way into a monastery and entering the elite school ENA, which then led to a political career. But they are all agreed that ethics and personal conviction must again be allotted greater priority in politics. It is characteristic for Leotard and RPR Secretary General Jacques Toubon (also not quite 44) to have issued a joint invitation to mark the 10th anniversary of the Helsinki agreements and advocated cancellation of these accords not kept by the Kremlin.

To be sure, the rivalry between the RPR and the UDF has not been buried, but the gulfs which had opened up in the non-socialist camp between Gaullists and anti-Gaullists, between Atlantic-oriented politicians, Europeans and advocates of national independence have been bridged. "One leans on the other, and we march hand in hand," affirms Jacques Toubon.

The opposition politicians in their thirties have already been in training for 4 years for their joint future action. Politicians in their mid-thirties--UDF representatives Charles Millon and Francois d'Aubert as well as RPR Deputy Michel Noir--have been in the forefront of the parliamentary struggle against the nationalizations forced by the Socialists and Communists. In the fight about the by now defused press law, the young UDF Deputy Alain Madelin and Chirac confidant Jacques Toubon crossed swords with the left.

The young people of the non-socialist parties no longer want to be guided by the tactical considerations which often determined the action of their predecessors. Alain Madelin says: "Under the Fourth Republic the intellectuals were Finlandized, under the Fifth Republic it was the politicians' turn. In our generation intellectuals and politicians are moving toward a clear view of things." He has just returned from a trip to Moscow, where in the company of an RPR colleague of his age he gathered information about the situation of the dissidents, while an RPR delegation including the 35-year-old Gaullist military expert Francois Fillon assured Lebanese Christians oppressed by the Shiites, Druze and Syrians of French support.

Not only in Parliament has a new generation of politicians come to the fore; a change of the guard has also taken place in the provinces. In Grenoble a 35-year-old Gaullist, Alain Carignon, has conquered city hall after decades of Socialist predominance, and at the cantonal elections this spring he won out against Socialist Speaker Louis Mermax as chairman of the General Council of the department. In Toulouse, 37-year-old former television journalist Dominique Baudis replaced his father as chief mayor, and since last year he has represented the UDF as a member of the European Parliament in Strasbourg.

Alain Juppe, one of Chirac's deputies in the Paris City Hall, is responsible for the economic part of the "Le Renouveau" RPR program which has just been submitted. He is not yet 40 and is sure to get a cabinet post when the year 1986 brings about a political turn. Some of the mayors of the Paris suburbs--Dupuy, Devedjian, Balakany, Sarkozy, who have broken the legendary "red belt" around the capital and who are getting ready to take the leap into big politics at the municipal level, are even younger. The non-socialist opposition in France has no problem in coming up with new blood.

8790

CSO: 3620/427

POLITICAL

FRANCE

LEROY ON PSF STATEMENTS, MOVE TO RIGHT

Paris L'HUMANITE in French 8 Jul 85 p 3

[Text] On the occasion of the meeting that took place yesterday as part of the celebration by the PCF [French Communist Party] Calais section, Roland Leroy, member of the Political Committee and director of L'HUMANITE, made the following statement:

"We had been informed of a Socialist Party [PS] Steering Committee meeting of an exceptional nature. With a Jospin-Fabius confrontation into the bargain. The meeting was held yesterday. What was at the center of the discussion? Unemployment? The drop in purchasing power? Schools? Housing? The means of making a different policy? Not at all. The only allusions made during the meeting to the grave problems of the French were ephemeral and soothing.

"Contrary to any truth and with a kind of indecency, the rapporteur Jean Poperen has said that the government was leading 'the economic recovery successfully.' The resolution states that 'the Socialist Party stands fully behind the government and the prime minister who leads it.'

"On the other hand, the Socialist leaders are all putting themselves unequivocally in the situation of a victory by the Right in the 1986 legislative elections. The resolution says: 'The Right is electorally in a favorable position.' Poperen goes one better and Jospin sees 'a triumphant Right, assured of victory.'

"The Jospin-Fabius quarrel is thus brought back to its simplest significance: while speaking a language that claims to be Socialist and 'leftist,' the party in power is prepared 'to widen its traditional agreement with the MRC [expansion unknown]...to other partners or personalities.'

"As in a natural movement, all this is accompanied by violent anti-Communist attacks. The Communist Party is reviled as 'sectarian.' Sectarianism, thus, would be bringing up and wanting to solve the problems arising in our country's daily life!

"The Elyseen newspaper LE MATIN had laid its cards on the table. It had foreseen that the PS Steering Committee would perfect a tactic aimed at

retaining the most possible Socialist votes, trying to divert Communist votes and winning over the Right.

"Here in Calais as in the entire Nord-Pas-de-Calais region, you are used to seeing the Socialist Party traditionally use its diverse tendencies to sweep in all the corners. We are thus not surprised to see Mauroy, Fabius, Jospin share the tasks.

"The Socialist Party Steering Committee has must resoundingly confirmed what Georges Marchais said at the last session of the Central Committee: 'The prospect offered by the Socialist Party and the Right is the following: a rightist policy with the Socialist Party until 1986: a rightist policy with the Right from 1986 to 1988: a rightist policy with the Right, the Socialist Party or the two together after 1988.'

"That is alternation, English, German style. It can be done differently, French style. A different policy is possible, for which a crisis is not fated, unemployment is not inevitable, austerity is not necessary.

"More than ever, we must work to bring together the two indispensable conditions for the implementation of this different policy: the development of a well-defined and rallying popular movement, the strengthening of the French Communist Party's positions."

9434

CSO: 3519/240



POLITICAL

FRANCE

PCF COMMENTARY ON FRANCO-GERMAN COOPERATION, DEFENSE

Paris L'HUMANITE in French 9 Jul 85 p 7

[Article by Yves Moreau: "A Doubtful Partner"]

[Text] President Mitterrand's next appointment with the West German chancellor Helmut Kohl is set for 18 July in Strasbourg. This will be the sixth meeting between the two men since the end of March: They have had, in fact, discussions in Paris, Brussels, Bonn, Constance and Milan. Undoubtedly, never have contacts between the governments of France and the FRG been so frequent.

The particularly close links that are thus established are "both industrial and military" in nature, the Socialist Party Executive Board indicated last week. It added that it wanted for the future to have French deterrent power and, more generally, all our means of defense "train effectively for the benefit of Western Europe. And to begin with, for the benefit of the security of the most threatened and most vulnerable territory in Europe, but also bordering France, that is, the territory of the FRG."

This will probably again be the matter in question at the time of the next Mitterrand-Kohl summit in Strasbourg, next week.

It will be held when the two days of discussion decided on at the European Council in Milan on the subject of Eureka come to an end. We know that the Bonn government approves of Eureka, just as much as the American "star wars" preparations. At a press conference held last Thursday, Chancellor Kohl warmly encouraged the conclusion of contracts between West German firms and the United States and advocated that they join a Bonn-Washington agreement framework.

In the same way, the Kohl-Mitterrand meeting in Strasbourg would seal the participation of the FRG in Eureka. The interdependence of the French Government project and Reagan's program would only appear the more self-evident.

But in Strasbourg, still other intentions might materialize: those mentioned by the INTERNATIONAL HERALD TRIBUNE when it envisages that Francois Mitterrand would cross a "crucial stage" in publicly undertaking, in the name of France, the commitment to "defend" the FRG.

On this subject also, the last press conference given by Kohl is worth being known. The chancellor indeed repeated that he held to the opinion that "the German question remains open." There was no question of the FRG, he stated, recognizing GDR citizenship.

And he even repeated his government's refusal to recognize the eastern borders as permanent. "We cannot tie the hands of a future German government," he said, alluding to a government that would exercise its sovereignty over all of Germany.

Who threatens? Is the FRG "the most threatened territory in Europe," as the Socialist Party claims?

Isn't the Bonn government the only one in Europe to want to leave territorial questions "open"? Is it the one we must choose as favored ally? Is it for its benefit that we must sacrifice our national defense? And link our destiny to its Reaganian "star wars" dreams?

9434

CSO: 3519/240

POLITICAL

FRANCE

# KRASUCKI PUSHES FOR MORE MILITANT ACTIONS

Paris LE NOUVEL ECONOMISTE in French 5 Jul 85 pp 30-31

[Article by Henri Gibier: "CGT: Time for Commandos"]

[Text] When the PS [Socialist Party] opens up to the right, the CGT [General Confederation of Labor] moves to the left. A fight loaded with political motives that may be expensive for Henri Krasucki's labor union.

Before setting out as an ordinary man on vacation for the month of July to breathe the pure mountair air, Henri Krasucki felt compelled to visit the grassroots. Last Thursday, the CGT secretary general stopped off at Roanne's ARCT [Textile Manufacturing Company of Roanne], a former world leader in the manufacture of textile finishing machines, which used to employ 1,800 wage-earners during the 1970's, but is now in liquidation and is, today, occupied by a few hundred CGT militants. "The least that can be done is to deprive Jean Auroux of his vacation", echoed, for the occasion, the walls of "Krasu's firm."

In addition to the mayor of Roanne, a former CGT professor and presently socialist secretary of state for transportation, it is the entire government of Laurent Fabius whose summer the CGT had decided to spoil. A week ago, the CGT's National Confederated Committee, the highest deliberative authority between two congresses, issued an appeal to the workers not to relax the pressure demanded during the Congress for a "favorable time for real trouble." "Now is the time to act and that a response must be made," said Krasucki as if he were reading a communication to the armed forces, at the close of the Committee's session, "without excluding any form of struggle in accordance with the situation." The CGT strategists have just demonstrated by an escalation [in actions] as skillful as it is symbolic, that political ends take precedence over means.

The first violation of the good conduct code, which had been generally respected since May 1981, was the SKF [Swedish Ball-Bearing Manufacturer] matter at the beginning of June. In order to prevent the removal of the machines seized as a guarantee by the last shift of wage-earners in the ball-bearing plant--who had been forced into the difficult position of submitting its petition at a time when the plant was located in George Marchais'

constituency--the leaders of the PC [Communist Party] and the CGT had not hesitated to launch a veritable "commando" offensive against the CRS [Mobile State Police] dispatched to the site. In her report presented last week to the Confederated Committee by Mrs Lydia Brovelli, a member of the CGT direct-orate, the event was put on the same level as the assassination of a delegate by an irascible and low-level supervisor at the end of last year, although, after the street-fighting in Ivry stopped, it was pointed out that there were 65 wounded policemen against 34 wounded demonstrators.

## Barrier

Since that time, confrontations have occurred at the Gien Plastics Company on 24 June, then in Lille, where 2,000 workers of the Dunkerque Naval Ship-yard ended by throwing rivets during the visit of Mrs Edith Cresson on 28 June. Finally, the first day of the onslaught on the beaches, the CGT-Renault Union beleaguered the autoroute toll gates to organize a collection in support of the struggles.

The second barrier deliberately trampled down by the Montreuil headquarters is the prohibition of political motives. This time it was during the visit of the head of State to Languedoc-Rousillon that the latter gave the signal to cancel the restrictions. No television viewer watching the 10 o'clock news broadcast could help but see the pictures shown of the clashes in Alex where a delegation of miners from Ladrecht destroyed pictures of the President with the same savage joy that the Red Guards exhibited when attacking a renegade during the height of the Cultural Revolution.

Even more symbolically, the final distortion of Socialist legality had as a framework the "Workers Fortress". On Friday, Andre Sanjon, the police chief of the Metalurgical Federation, announced by telex that the CGT management of Renault had decided not to comply any longer with the rules of "confidentiality" imposed on certain deliberations of the Administration Council. The case in point involved bringing before the public a vote for a loan of 175 million dollars intended for the AMC [exact expansion unknown], the American subsidiary of the State-controlled company. "We do not accept secret policy," Sanjon warned in a message that is also an appeal to the 450 administrators that the CGT has in the nationalized sector. That being done, CGT management deliberately assumes the risk of discrediting what it had always presented as one of the attainments the least contestable of 1981. "Locked in the iron collar of financial profit," Gerard Alezard, the confederation expert, had justified earlier, "the nationalized companies are not distinguishable basically from privately owned companies."

What objective is the foremost union in France seeking by this return to a period of commando tactics and militant unlawfulness? The latter activity is seen in the open conflict between the Socialists and Communists, a confrontation in which the two protagonists have access to the same weapons, i.e., institutional memory and the collectivity of the Left. The PC would like to replay 1947 the other way around: by having the troops in the streets after the ministers have left the government. Francois Mitterand has fun in reversing the 1936 Front by using the expression "the helping hand", selected

by Maurice Thorez in 1934 to extend the People's Front to the radicals, so as to open his majority to the center right.

#### Weapon

It is also a battle of pictures. The communists see in the film on the resistant members of the Manouchian group, shown last Tuesday on Channel 2, as a power attack on their letters of patriotism. "The only way to prevent placing the PC in a lesser position," according to Marchais' analysis, ten days before the Central Committee, "is to prevent the PS from taking on a leftist luster." No longer having anything to gain in political negotiations after the implementation of proportional representation, there only remained the CGT to do it.

The weapon, however, is in a bad state. Preliminary documents for next November's Congress, and the Confederation's reports for 1981, 1982, and 1983 point up the financial vulnerability. The CGT is now an organization that has a debt amounting to about 60,000,000 [francs], which reflects an annual turnover of some 40 million francs of which half is from public subsidies. The repayment alone of the loans borrowed for the construction of the Montreuil headquarters costs CGT headquarters 11 million a year plus an additional 7 million for operating expenses. A rise in expenses that coincides with a decrease in returns from contributions due to a reduction in membership. Specialists like Hubert Landier assigns the present level of membership to be around 900,000 against more than 1.5 million in 1974. The operating deficit for Krasucki's management has gone from 250,000 francs in 1981 to 7 million in 1983, and has become worse in the two following years. In the field, the capability to mobilize resources has its obvious effects.

Sixty thousand steel workers, including Pierre Beregovoy, marched, in Paris, behind Krasucki and George Séguy to protest the steel plan of 1979. Scarcely 6,000 showed up in Metz last year to oppose the "Fabius plan". And how many today? While avoiding a response to the question, Krasucki and his commandos are making a virtue of necessity.

9766

CSO: 3519/246



POLITICAL

GREECE

# USSR REPORTEDLY ATTEMPTS TO LIMIT DEFECTOR'S DAMAGE

Athens MESIMVRINI in Greek 18 Jul 85 p 3

[Article by Ap. Apostolopoulos: "Cold Wind Blowing on Relations with Moscow"]

[Text] There are clouds on the horizon of Soviet-Greek relations because of the "Bohan affair," the Soviet diplomat serving in Athens who defected to the United States and has made revelations about the activities of his country's secret services in Greece and, more generally, in Europe. This comes at a time when a seemingly difficult road is being tested for an easing of the existing problems in U.S.-Greek relations. Characteristically, Mr Andropov is attempting a priori to persuade his Greek interlocutors that the Bohan disclosures are untrue.

As is known, the Soviet ambassador to Athens was very active in recent days. He met within a few days with alternate Minister of Foreign Affairs Papoulias, Minister of Foreign Affairs Kharalambopoulos and ND leader Mitsotakis, as well as with Ambassador Vandalis, in charge of political relations with Eastern Bloc countries and the Soviet Union.

Mr Andropov is attempting to impugn Bohan's trustworthiness, saying that no one can take seriously the words of a traitor to his country. Moreover, he adds, Bohan has good reasons to strengthen his position and to present himself as an important personality by disclosing "spectacular events" and by exaggerating.

A second line of defense for Mr Andropov is that the American side also has reasons to cause problems in Greek-Soviet relations, producing eventually various data as "Bohan revelations" which could create a bad climate in the relations with the USSR. Mr Andropov insists on the fact that no one must be led to believe whatever might be revealed.

According to reports, the Soviet side will do everything possible in the context of this policy (at all levels and through the press) to impugn whatever revelations come to light, in an effort to limit the repercussions.

However, it seems that to date, Mr Andropov has not found much receptivity within the government.

According to reports, both Mr Papoulias and Mr Kharalambopoulos were rather cold toward Mr Andropov during their talks.

All the problems still pending in Greek-Soviet relations were discussed during these meetings.

However, this was the first time that Mr Andropov's attention was drawn to the fact that the Soviet Union must assume clear-cut positions on all issues regarding Greece; it would otherwise be very difficult to expect an improvement in the relations between the two countries.

As is known, the Soviet Union maintains what is at best neutrality in all the critical national issues such as the Cypriot problem, the Aegean, the Athens FIR, etc., and studiously avoids displeasing Turkey.

On the contrary, the Greek side has taken positions on the Poland issue, the downing of the South Korean jetliner and on nuclear matters, that have aroused the concern of its Western allies without any trade-off by the Soviet Union. The Soviets have not even evidenced a desire to implement any obligations deriving from agreements already signed: for instance, the use of Greek ships for the transportation of Soviet products as mentioned in the agreement between the two countries is still pending.

On the contrary, the Soviet Union recently threatened to cut off imports of oranges and olive oil from our country because their quality was reportedly unsatisfactory.... In such a climate, it is natural that Mr Andropov's arguments were not well received. The Soviet Union wishes to increase its embassy personnel, as well as the TASS complement. It also continues to be interested in opening a consulate in Salonica. Another subject of interest to the Soviet Union at this time is Greek support for various Soviet candidacies in the UN.

It is characteristic of the change in climate--and it remains to be seen whether this is due to plain timing or represents something more permanent--that 2 months ago the government gave in to the USSR's request and granted the Soviet AEROFLOT airline the right to 10 trial flights with a stopover in Salonica, against the advice of the Ministry of Foreign Affairs.

CSO: 3521/315

POLITICAL

GREECE

# MILITARY, OTHER IMPLICATIONS OF SOVIET DEFECTOR'S DISCLOSURES

Athens TO VIMA in Greek 21 Jul 85 p 3

[Article by Kh. K. Bousmbourelis: "Greek-American Relations and National Interests"]

[Excerpts] Sergei Bohan, first secretary of the Soviet Embassy in Athens since 5 November 1982, disappeared 2 months ago and, as it later became known, asked for asylum in the United States.

According to the U.S. press, he is the source of important "revelations" concerning the activities of the GRU in Greece.

We should not be surprised if (in an anxious effort to strengthen Mr Mitsotakis in the leadership of the ND), we shall read next week that "during his talks in Washington, the ND leader was informed of the concern awakened within the U.S. Government by the Bohan disclosures."

We should not be surprised if rumors of bribery among individuals and personalities in politics and even big business begin to emerge.

This is the first aspect of events. Of course, it is not the only one. There are others. Another aspect concerns the Americans and may significantly influence U.S.-Greek relations.

Running the risk of causing angry explosions, this column must admit that it does not buy the version that only one of the two superpowers possesses a service known by a trigraph for the collection of intelligence, the recruiting of agents and, in general, for all missions of undermining and other activities, such as the CIA, the KGB, the DIA, the SIS, the GRU, the SDECE, the MIT, etc.

If, then, the former comrade--and henceforth Mr--Bohan has revealed "significant" information to the Americans, the way in which the competent U.S. officials will use this information is of capital importance to Greek-American relations. If they make it available to the government in discreet fashion, with a sincere statement such as "this is what he told us, look at what is taking place on your side and assume the necessary measures," all well and good.

But if the information begins to reach the press, either in the United States or in Greece, especially if accompanied by some allusion that Washington does not trust the Greek Government enough to bring it up to date on the matter, then something is wrong. Something is very wrong. This would be akin to a declaration of open war and would fatefully entail strong reactions and other repercussions.

Actually, we are at a rather critical time. It is no secret that what the Americans are seeking at this time is a prolongation of the agreed-upon time-tables. Not so much for the bases to stay on, as for an early decision on the issue.

The agreement on the bases is supposed to expire in 1988: either Washington or Athens can denounce it 6 months before its expiration. In this case, there is an added 18-month period to cover preparations for their removal. Pentagon and other military officials now maintain that 2 years are not sufficient, and are demanding from the State Department to clarify even now whether the bases will go in order to make the necessary provisions. And this, of course, does not concern the Ellinikon base, which must be removed as soon as possible. It concerns the other bases and mainly the communications center at Nea Makri. Here is to be found the strongest point of the Greek positions.

According to the provisions of the agreement, the government has no obligation to answer sooner than 6 months before its expiration. If the Americans are suddenly in a hurry, this is their own problem. To make it easier for them, the government must get something in return. The relatively mild reaction to the travel advisory issued by President Reagan show how carefully the government handles its relations with Washington and may foretell a satisfactory outcome in this entire game.

A satisfactory outcome for this country's interests, where anti-Americanism was a justified outbreak, but which should in no way be a national duty, as some see it from their own internationalist point of view.

CSO: 3521/313

POLITICAL

GREECE

# NATION REPORTEDLY STANDING ON THRESHOLD BETWEEN OLD AND NEW

Athens ENA in Greek 4 Jul 85 p 13

[Article by Panos Loukakos: "Which Greece, Which Greeks?"]

[Excerpts] The summer, as Mr Papandreou had promised, has been given back to the people for their dips in the sea. The electoral confrontation belongs to the past, Mr Mitsotakis has finally acknowledged the legality of Mr Sartzetakis' election, Mr Florakis is trying to find out where he went wrong and Mr Kyrkos is still searching for an office at the Parliament building to receive his political friends.

Everything is now entering a low-key phase. Let us leave, then, everything behind and let us review a slogan, which Mr Papandreou has ceaselessly repeated: "Greece belongs to the Greeks." We do not doubt the truth of the statement. But we ask: which Greece and which Greeks?

There have been some very strong phenomena in recent years, which show that many things are changing. They are changing so fast, that we often have no time to watch them and, more importantly, to perceive them and interpret them.

Let us list these phenomena:

First phenomenon: in the last elections, just like in previous ones, the rural populations, the traditionally conservative element in Greek politics, voted mostly for the PASOK. In urban areas, on the contrary, which are traditional centers of neo-Greek "progressivism," there was a turn to the ND.

Second phenomenon: the old traditional voters of the communist left abandoned their party for the first time and turned to the PASOK.

Third phenomenon: the departure from Mr Karamanlis from the presidency was perhaps the most significant political event in the past 4 years. Nevertheless, it did not seem to influence very much the final electoral outcome.

Fourth phenomenon: without fear or passion, the provinces voted almost openly. In the villages, each residence proudly displayed the partisan flag of the head of the family.



Fifth phenomenon: mainly tourist areas, which are going through a strong financial phase, voted for the PASOK, while logically, their interests lie on the side of the ND.

There are easy answers to all these. "Farmers voted for Papandreou because they received EEC money, old communists because he recognized the national resistance and because they received old-age pensions, etc., etc." But surely things are not so simple. And they are not simple, because it is impossible that they don't reflect some present underground currents in Greek society. The Greek society that is in a state of flux and in a transitional period.

These phenomena surely are related to the fact that beginning in 1981, the road to power opened up for the small bourgeoisie, mainly represented by the PASOK. They certainly are related to the fact that Greek farmers went from the donkey to the Datsun before they had even time to become aware of it. It is not possible that they are unrelated to the great changes occurring in the structure of the state, a state which is continually expanding to the detriment of the private sector, thus creating a new bureaucratic elite. These bureaucrats are socially, politically and ideologically different from their colleagues of bygone years.

A new world is coming and an old one going away. This creates confusion and causes fluidity. Everything is in a transitory phase, everything is changing or may change. This may be the reason why we are living in special times. But it is also the great challenge of our era.

Old models used by this country for many years seem to have been overtaken by social development. But the new models, that will replace the old, have not yet been consolidated. That is why some cracks are being heard. They will probably lead us onward, but may well lead us to retrogress. Something new and unknown is coming. When the sun comes up in the morning, no one can be sure that it will not rain in the afternoon.

CSO: 3521/313

POLITICAL

GREECE

BEHIND-THE-SCENE COMMENTS ON NEW GOVERNMENT APPOINTMENTS

Athens I KATHIMERINI in Greek 28-29 Jul 85 p 16

[Text] This time, Prime Minister Andreas Papandreou had more difficulties than ever in forming his new government. In spite of his second electoral victory, and also the comfortable time period available to him, many positions were only filled at the last minute.

Problems first appeared with two top officials, Ap. Lazaris and Ger. Arsenis. Neither one accepted to be transferred to another Ministry in spite of all the efforts made until Thursday evening.

The other focus of reactions were the members of the executive bureau. Mr G. Gennimatas wished to be assigned to a better ministry, as did P. Moralis and Vaso Papandreou. At the same time, D. Rokkos was claiming a government position, because he was the only member of the executive bureau who was outside the government, given the fact that the other, P. Avgerinos, is a Eurodeputy. In the end, the solution of the camel was adopted, as a pro-government deputy noted. Mr Simitis was propelled to the Ministry of National Economy in order to take on the burden--as well as the attrition that comes with it--of the economic crisis! Mr Gennimatas was made to stay in the Ministry of Health and Welfare, apparently inculcated with the failure of the ESY [National Health Plan]. Thus the only winner was Ak Tsokhatzopoulos, the prime minister's confidant, who also acquired K. Laliotis as a companion. P. Moralis and Vaso Papandreou undertook, as deputy ministers, to monitor policy on education and industry. Through these moves, the prime minister succeeded in isolating from the party G. Gennimatas, K. Simitis and K. Laliotis--who still hold a measure of power--by burdening them with a lot of work. On the contrary, trusted Akis Tsokhatzopoulos remains more free: with his staff position in the government, he has the time to control the party....

CSO: 3521/319

POLITICAL

GREECE

COMMENTS ON 'TROIKA'S' RESPONSIBILITIES IN NEW GOVERNMENT

Athens I VRADYNI in Greek 28 Jul 85 p 11

/Text/ Akis Tsokhatzopoulos

The "first among the three" of PASOK's executive office's troika, Mr Akis Tsokhatzopoulos has found himself to be the number one minister of the government, thus succeeding in the government's total submission to the party. The withdrawal of Mr Ap. Lazaris --the political wise man-- and the assignment of the "hard line Akis," in conjunction with the prevalence of Mr A. Koutsogiorgas in the Ministry of Interior, is characteristic of the course the government intends to follow.

Mr A. Tsokhatzopoulos draws his strength from the party mechanism and is considered as the promoter of the philosophy of complete control of the state apparatus by the party. He was the adversary of former Minister of National Economy G. Arsenis and defender of Mr D. Sotirlis (former management adviser of PYRKAL /expansion unknown/). Mr Sotirlis' successful election to the PASOK Central Committee at a time when he was being accused in the PYRKAL scandals strengthened Mr Tsokhatzopoulos even more and thus showed that he completely controls an important segment of the party mechanism.

According to information, Mr Tsokhatzopoulos has decided to implement PASOK's decision for complete control of the state apparatus by the party. At the same time, it is certain that he will restrict even more the independence of members of the government, at least as far as the selection of persons for the manning of various positions.

It is not fortuitous that the Central Intelligence Service, that has from time to time come directly under the prime minister's office, seems to be coming under the exclusive control of the minister to the prime minister.

Kostas Simitis

There are differences of opinion as to the assignment of Mr K. Simitis to be minister of national economy. Those who "superficially" face the personality of the new minister of national economy feel that his assignment is an opening toward private initiative and they stress his pro-social views.

Political observers and economic authorities have a completely opposite view. Mr K. Simitis is "a true blood socialist" who especially stands out for his dogmatism. His

most basic task up to now has been the famous law on compulsory agricultural cooperatives. Of course, private initiative cannot expect anything good from that minister who succeeded, while minister of agriculture, to oblige every personal initiative to pass through some state or party control authority (export authority, etc.). Economic officials maintain that the assignment of Mr Simitis to the important post of minister of national economy cannot mean anything good --at least for an average term basis-- for private initiative. Even in case Mr Simitis were to appear to be making an overture to the business community, it is certain that this would constitute a maneuver to overcome immediate problems of the economy or better yet to put off the obligation for the taking of stiff and unpopular measures that the economy needs today to avoid utter destruction. It is a fact that the average to long-term range plan by Mr Simitis who is not, of course, distinguished for his economic knowledge, will be an orientation toward centrist directed economy.

Kostas Laliotis

Theoretician of the "political rift" Mr Laliotis --also a member of the party troika-- finally succeeded in assuming one of the more important sectors of the government.

The "hard line" group of the party political office had insisted that Mr Maroudas be removed (he was the prime minister's man) and that Mr Laliotis be assigned for the control of the mass media and the press. Thus, the party would be able to have full control over every "message" addressed to the people. Mr Laliotis himself had repeatedly expressed this view and now is in a suitable position to implement it. An expert on propaganda tactics, Mr Laliotis will endeavor to increase the dosages of a new model of life that television channels can provide and that will aim at brainwashing with "more scientific methods."

Nevertheless, it is certain that as far as the mass media are concerned Mr Laliotis will try to increase party control over the press. It is known that certain pro-government newspapers have up to now escaped the immediate influence of the "hard line" party cadres, with the result that from time to time they have taken opposite stands in the war of factions. The assignment of the new deputy minister for press has as its goal --together with the others-- the closing of this gap too.

It should be added that Mr Laliotis is not on especially good terms with Mr S. Kostopoulos, present secretary general, and rumors have already begun to spread about the latter's being replaced. It is also not known what will be done to the two ERT /Greek Radio and Television/ administrative boards that at present constitute personal choices of Mr A. Papandreou, even though they have successfully passed tests on party faith.

5671

CSO: 3521/323

30 August 1985

POLITICAL

GREECE

## QUESTIONS ASKED ON PAPANDREOU-SARTZETAKIS RELATIONS

## Papandreou's Ulterior Motives

Athens I VRADYNI in Greek 29 Jul 85 p 1

[Excerpt] The replacement of Mr Khr. Sartzetakis by Mr Andreas Papandreou as president of the republic is being planned on the basis of a plan that has been implemented by the close circle of "men" having the blind faith of Kastri.

The plan had been worked out with Andreas' approval during those critical first days of March with full reference to the selection of Mr Sartzetakis for the highest position in the land.

Sources that up to now had access to the top echelon PASOK leadership --and who have become unhappy over the new government "format," revealed this plan.

The plan --according to the same sources-- calls for prompting Mr Sartzetakis and the services of the presidency of the republic to commit mistakes that will expose the president and subsequently cover him. It is also being maintained that pro-government newspapers --without their knowledge, of course-- would be included in contributing to the success of the plan, given the fact that it would not be possible for them to remain indifferent to the committing of serious errors by the president of the republic and that they would certainly criticize him (an example of this tone and style of this criticism was revealed yesterday through articles by two reliable newspapers, well-disposed to the government). And this criticism will add to the systematic harm to Mr Sartzetakis.

## Government Statement

Athens I VRADYNI in Greek 30 Jul 85 p 16

[Text] The existence of a plan by Kastri for gradual harm to Mr Kh. Sartzetakis and his replacement prior to the end of his presidential term of office (1990), that I VRADYNI revealed in yesterday's edition, was indirectly and clearly confirmed yesterday by the government since its spokesman, Mr K. Laliotis, refused to refute published reports. Moreover,

1. He did not protect Mr Sartzetakis from the most violent attacks made against him by two pro-government newspapers (TO VIMA and ELEVTHEROTYPIA) which severely



criticized him in their Sunday editions for his handling of the issue dealing with invitations to the 24 July celebration.

Mr Laliotis avoided commenting on the most violent critical published reports in the pro-government newspapers, maintaining that "the government does not accept the fact that there are government newspapers and government journalists but only independent newspapers and independent journalists."

He added that "newspaper commentaries and signed articles by correspondents concern the newspapers themselves and their correspondents that have as an established fact the right to free and independent expression of their opinions."

With regard to the above statement by the government spokesman, political observers stressed the following:

- The newspapers that criticized Mr Sartzetakis in their Sunday editions are not, of course, government newspapers but pro-government ones (a government newspaper does not exist in democratic regimes). And as pro-government newspapers, they take positions that coincide with those of the government. Mr Laliotis' advisability to talk about "government newspapers" is evident.

- His emphasis on "the right of free and independent expression of opinion" by correspondents and newspapers can be interpreted as an exhortation for further criticism of Mr Sartzetakis' activities.

2. He left Mr Sartzetakis unprotected on the issue of the invitations. When asked by journalists to state if the government continues to insist on its position that it sends out its own invitations without taking into consideration the political opinions of those being invited, he answered in the affirmative and referred to a previous statement by Mr Maroudas.

- As is known, Mr Maroudas, as government spokesman, had stated the day the issue of the invitations came up, that the government sent out its own invitations not taking into consideration the opinions of those being invited. And this statement clearly differentiates the position of the government from that of the presidency of the republic that also sent out its own invitations on the basis of political criteria for this year's celebration of 24 July.

5671

CSO: 3521/323

POLITICAL

GREECE

OPPOSITION DAILY SCORES AMBASSADOR KEELEY'S STATEMENTS

Athens I KATHIMERINI in Greek 2 Aug 85 p 4

[Article by G. Karagiorgas: "Baseness"]

[Excerpts] American diplomacy is apparently fated to include or to be followed by gaffes. Whether it is career diplomats who are at fault, or those individuals who have been successful in the business world and are implanted by various presidents whose friends they happen to be.

This has often been noted by friends and enemies alike of the United States. At this time, following the remarks of the new U.S. ambassador to our country, the gaffe has taken on new dimensions. It has become a forerunner. Before even setting foot on Greek soil, the new U.S. ambassador, Mr Keeley, has defined half of the Greek population and has consigned it to the camp of shame. His statements, according to which our relations with his country under other governments bore the stamp of vassalage toward masters, not only distort historical truth--an unforgivable error in foreign policy--but are also defamatory of Greek politicians, who were punished exactly because they dared to disregard various State Department diplomats of the self-taught school.

The principal conclusion one can draw from the official statements of "Hellenism-worshipers" Keeley, who even owns a summer home on one of the Saronikos islands, is that the United States not only tolerated, but also encouraged the condition of vassalage for entire decades.

The new ambassador thus committed a gaffe against his country as well. He blew up the whole attempt that is being made in the United States to convince the people that it is the most democratic country on earth, that it tolerates dissent, that it respects peoples and is building the future of mankind in full freedom.

So then, the argument of Soviet propaganda, the never-ending argument of communists everywhere, who ceaselessly repeat the term "vassalage," is true! And since the representative of official American diplomacy admits that his country has thus far followed the course of master vis-a-vis servants, it has fatefully justified its adversaries.

But neither Georgios Papandreou, nor K. Karamanlis, nor G. Rallis, accepted dependence at critical times. Indeed, the first refused to obey an "order" from then President Johnson that he meet with a Turkish representative at a time when Turkey was practicing a predatory policy at the expense of Greece. And public opinion believes that he was punished for it.

There is no doubt that for 2 or 3 years after the liberation of Greece from the (German) occupation, our military and our politicians were often compelled to yield to demands and gross requests from American officials. But at that time, a life-or-death civil war was going on in the mountains. But even then there was no vassalage. At a meeting with Gen Van Fleet, where plans were being drawn to capture a certain hill, Gen Papanikolaou, in reply to Van Fleet's angry demand in the face of a lack of means that "the hill be seized with 'pocket knives'," ordered the latter to leave the command tent. Of course, he was ordered into retirement the next day. Years later, when Van Fleet, then in Korea, had lost two American battalions in an attempt to seize the "White Horse" elevation, Papanikolaou sent him a cable, recommending to him that the hill's capture should have been made with "pocket knives." It is too late now for any correction--born of necessity--that the "Hellenism-worshiper" Mr Keeley may undertake. We must make a distinction between an offense directed at one individual and another aimed at many. The offense directed at one or more persons is usually followed by a procedure for its isolation. The group unites in collective disapproval. And calms down. When an offense is directed at one side, it provokes a reaction from the whole. It awakens traumatic feelings and the need for scapegoats. People feel defenseless and vulnerable to attacks. Because they cannot defend themselves, they begin to trade accusations. An offense sentences its victim to disdain, it compels him to commit social suicide. In the end, everyone turns against the person who launched the offense and regards him as a common adversary.

Through his statement, which is unprecedented among British, French and other colleagues of his, Mr Keeley has isolated himself from the country's political world. He has placed himself against historical truth. He has made himself the spokesman of his government, which believes that at least 42 percent of the Greek people and perhaps the majority of the political world are servants of its interests.

He has obstructed his course all by himself. Let him confine himself to his summer mansion.

If he can bear it.

CSO: 3521/319

POLITICAL

GREECE

#### BRIEFS

DEFECTOR'S REPORTS--When the defection to the West of Soviet diplomat and official of the USSR's secret services Bohan became known, our newspaper was the first--and only--to draw the government's attention to the possible repercussions from this incident: both on Greek-Soviet relations and, more generally, on our foreign policy. Events dramatically justified our feelings. As our newspaper again disclosed, what Mr Bohan told his American interrogators led President Reagan to react very forcefully against Greece on the occasion of the hijacking! The Soviets are now attempting to minimize the meaning of their "diplomat's" revelations, terming him a "traitor" to his country, etc.! Once again, we draw the government's attention on the very probable results of the issue: let the competent officials timely request from the Americans as much data as possible on whatever "important" information the Soviet defector revealed on the activities of the Soviet services in Greece! And let them inform the Greek people, at least up to the point where more specific national interests are not harmed! So that we should all know what is happening in our country.... [Text] [Athens MESIMVRINI in Greek 19 Jul 85 p 7]

REPORTEDLY INHOSPITABLE MILITARY--Many countries, among which Turkey, spend huge amounts of money to establish and develop their "lobbies" in the United States. Greece happens to be one of the few countries where its own children of the second generation (their parents went to the United States as immigrants) have excelled in the political, social, diplomatic and military sectors. Nevertheless, the approach of these persons--and especially the kind of approach stemming from sentimental ties--is either lackadaisical or nonexistent. A classic example of indifference is the attitude of our general staff vis-a-vis the former--until a few days ago--U.S. military attache in Athens, Greek-American Alex Vardamis. This man--whose father and mother are from Ioannina--came to Greece. His Greek colleagues, however, kept their doors hermetically closed to him and avoided even his invitations, apparently in obedience to orders from above. [Text] [Athens I VRADYNI in Greek 21 Jul 85 p 6]

CSO: 3521/313

POLITICAL

NETHERLANDS

#### MANEUVERING IN LABOR PARTY TO SUCCEED DEN UYL

Rotterdam NRC HANDELSBLAD in Dutch 5 Jul 85 p 7

[Report by Kees van der Malen: "Delaying Tactics of Intended Candidate: Den Uyl Must Pay High Price."]

[Text] PvdA [Labor Party] Leader Den Uyl has had to pay a high price this week for his delaying tactics with regard to a renewed primary candidacy. The vagueness which he has been maintaining for a considerable time gave Marcel van Dam--a confidant, not a crown prince--the opportunity to promote himself as a substitute primary candidate and caused Aad Kosto--neither a crown prince nor a confidant--to fire his poisonous arrows at Van Dam.

The result is that the internal peace in the party--good for a record high in the opinion polls--has been affected, Marcel van Dam has been hurt and the discord within the parliamentary group is out in the open.

Although Den Uyl rapidly managed to quench the spreading flames of the party quarrel--the questionable Kosto interview--, he was unable to ward off the discord in the parliamentary group, which Kosto took upon himself to interpret. Although at this moment the parliamentary group indeed wants Den Uyl as primary candidate once again, everyone really knows that his leadership was very controversial not too long ago (middle '82) and cannot continue forever.

#### Emotions

With his application for the leadership, which was both unexpected and timely, Van Dam unleashed deeper emotions in the parliamentary group. The --skilled streetfighter-politician, and also very socialistic and not often acting as a gentleman even toward his own colleagues--enjoys little sympathy in the circle of the PvdA group. Some fear him, others envy him, but only few see him as the desired leader.

Koster's revelation illustrates the emptiness gaping behind Den Uyl even more than it does the antipathy toward Van Dam. As a result of Den Uyl's delaying tactics all the successor candidates--Van Thijn, Van der Louw and Van Kemenade--disappeared into administrative positions, tired of waiting. With the disappearance of this series of crown princes, Den Uyl simultaneously



increased his self-chosen dilemma (stay on and continue to search for an appropriate successor). A year ago he still had matters completely in his own hands. The little support of Den Uyl for his own candidate Van Kemenade against the opposing party chairman Van den Berg resulted in Van Kemenade's disappearance from sight.

In the meantime Den Uyl lacks an ideal candidate and he has to limp along between continuing himself, continuing temporarily, or vacating his position now. The latter possibility is now certainly almost out of the question because of the events of this week.

With a renewed primary candidacy (who still remembers that he announced the last one in '82 as temporary?) Den Uyl continues to hold on to the leadership a little longer, but simultaneously the problem of leadership after the elections is taking on a life-size dimension.

If the PvdA is able to reconquer government responsibility, Den Uyl's place is in the cabinet and the position of parliamentary group chairman will open up. If the party is once again condemned to an opposition role, it is very improbable that Den Uyl will continue his position as member of the chamber once again. Thus something must be arranged for both eventualities.

Van Dam is not popular within the parliamentary group and thus in fact lacks the possibility of being elected chairman. FNV [Netherlands Trade Unions Federation] Chairman Wim Kok, who is now transferring to politics, is more popular, but is an impossible choice because of his position as newcomer. Thus the PvdA will have to make many choices and therefore there is plenty of potential for quarreling. With one person (Den Uyl) speaking too late, the other (Van Dam) speaking before his turn, and the third (Kosto) speaking evil, the situation arises of the party speaking dividedly.

Because of his delaying tactics, Den Uyl has, as it were, already sown the seed for discord in the parliamentary group and the party. The government parties CDA [Christian Democratic Appeal] and VVD [People's Party for Freedom and Democracy] will undoubtedly follow the development of this wild proliferation with unusual interest and, wherever possible, stimulate it eagerly.

8700

CSO: 3614/109

POLITICAL

PORTUGAL

# MILITARY COOPERATION WITH MOZAMBIQUE CONSIDERED

Lisbon EXPRESSO in Portuguese 6 Jul 85 pp 1, 24

[Article by Augusto de Carvalho from Maputo: "Samora Machel Bets on Portuguese Military in Mozambique"]

[Excerpts] The news came like a bombshell: Mozambican troops will be trained by British officers at a Zimbabwean Army base somewhere in the Inyanga Mountains near the Mozambican border.

But this announcement will only surprise those who have not followed the movements of British officers in the area.

Talks between Samora Machel and Margaret Thatcher held in October, 1983, in London while the Mozambican president was on an official visit to Great Britain, have begun to yield practical results in the military area.

## Mabote in Portugal

On 1 July, I was at the home of Gen Mabote, chief of staff of the Mozambican Armed Forces. Mabote, an old guerrilla fighter, almost a legend to the Portuguese military who fought him in the colonial war, a diligent reader of Mao Tse-dung's "Red Book," former sergeant in the Portuguese Army, trained in China and the Soviet Union, is a simple and affable Mozambican.

"I studied in all those countries, but I am Mozambican. I have many friends among the Soviets, the Chinese and the Portuguese. Nearly everywhere in the world."

Mabote spoke warmly of the Portuguese and smiled with pleasure when we told him about a conversation with Gen Mouro de Carvalho which took place the first part of June in Lisbon about some day strengthening military cooperation between Portugal and Mozambique. "Mabote? I chased him several times, but he always got away from me."

A meeting between the old guerrilla fighter and his pursuers will take place shortly: Mabote, who has never been to Portugal, will come to Lisbon as head of a military delegation. "Among us military men, there is a near-perfect understanding," he told us. There were 10 years of guerrilla warfare and then 10 years of independence. "We are finally going to meet."

President Samora Machel wants and needs military cooperation with Portugal. Observers of history and the prospects for the deep relationship between the two countries believe that military cooperation is the key to and basis of all future cooperation.

Indeed, an army does not develop from the guerrilla stage to a well organized classical armed force in 10 years. And as Samora Machel asked us, "If the British set up the Zimbabwean Army, why shouldn't the Portuguese assist us to set up the kind of army a sovereign country needs?"

"You need cotton," Samora Machel told us. "We have the land to grow cotton. You need coal: we have coal. You need corn: we have the land and labor to grow corn. You import tobacco. Why not grow tobacco in Mozambique? What all can we do together?"

#### Differing Opinions

Portuguese Foreign Trade Minister Jaime Gama, differing from President Ramalho Eanes, has expressed the opinion that the Portuguese military should not become involved in Mozambique, bringing up the possibility of active intervention on the battlefield by an expeditionary force. Secretary of State for Cooperation Eduardo Ambar also shares this opinion, while Mario Soares seems to be more receptive. Almeida Santos, with whom the subject has been brought up a number of times, believes it would be better if Mozambicans were assigned to Portugal for military training, fearing that the Portuguese people would mount protests the day Portuguese military trainers leave for Mozambique, and particularly if any should die there.

To the right of the Socialist Party, i.e., in the Social Democratic Party and the Social Democratic Center Party, there is relatively greater receptivity to military cooperation: no expeditionary force is mentioned, but Portuguese military trainers on Mozambican soil are taken for granted.

As regards the military, opinions which we heard on a recent trip to Lisbon are that they are available for cooperation with Samora Machel for national construction in the form of cooperative assignments in the area of military training.

Armed Forces Chief of Staff Lemos Ferreira, who is to visit Mozambique shortly at Samora Machel's invitation, shares this opinion and believes that Portuguese can perform this assignment better than anyone else. He himself suggested that a Mozambican military mission come to Portugal or that a Portuguese military delegation go to Mozambique to study areas of cooperation.

8844

CSO: 3542/220

POLITICAL

PORTUGAL

# SCENARIO FOR ELECTION TIMETABLE UNTIL JANUARY 1986

Lisbon TEMPO in Portuguese 5 Jul 85 p 24

[Text] The dissolution of the Assembly of the Republic changed the Portuguese political scenario. The decision made by Ramalho Eanes will force early legislative elections whose most probable dates will be 5 or 6 October; this will prevent elections from taking place in the middle of the summer. In addition to the legislative elections, the Portuguese will have to vote in three other elections, specifically for 24 deputies to the European parliament (this election will have to coincide with the legislative elections), as well as the self-government and presidential elections. In an attempt at looking ahead, TEMPO today presents a provisional chronology of the estimated dates, as much as possible staying within the deadlines specified by election law and the Constitution.

- (1) The candidates will be presented between 55 and 70 days prior to the actual elections, depending on the precise date of the elections.
- (2) The election campaign will take place between the 21. and 2 days prior to the elections, the date depending on the previously mentioned scheduling.
- (3) The estimate for the legislative elections points to 5 October (Saturday and holiday) or 6 October (Sunday). It is up to the president of the republic to set the date for this election.

Because of that we cannot give specific dates for the election phases, specifically the date for the prohibition on the publication of public opinion survey results and the radio and television broadcast schedule times.

- (4) It is up to the government to set the elections for the self-governing bodies whose term runs out in December. Therefore, the elections for this purpose will have to be held throughout that month but most probably during

the first half. If we assume that Sundays will be the probable dates then we will have the following: The 1st and 8th days (national holidays) are two days to be considered, with a greater probability for the second date since this is a religious holyday which "forces" people to leave their homes; the 15th could be considered also as a probable date; the 22nd and 29th are right around Christmas, a time at which most people leave their election districts, thus contributing to greater absenteeism.

(5) The presentation of candidates for presidential elections will have to take place up to 30 days prior to the date set for the elections (Article 1<sup>o</sup>7 of the Constitution) which "cannot be done during the 90 days before or after the date of the election for the Assembly of the Republic" (Article 128 of the Fundamental Law [Constitution]).

(6) The date for the election campaign as such depends on the date for the presidential elections and that is the responsibility of the president of the republic.

(7) Following the constitutional precept (Article 128), elections for the office of president of the republic will have to take place 90 days after the elections for Parliament, in other words, on 4 or 5 January 1986.

However, the voting might be delayed and might even be postponed until 19 January because of the fact that the election campaign coincides with the Christmas season. This being so, the election campaign would have to be started on 3 January.

(8) If there is a second round in the presidential elections, that would take place 21 days after the first round.

The dates we indicated coincide with 25 and 26 January or, looking at the second assumption, 9 February (Sunday).

(9) The first elections for Portuguese deputies to the European Parliament are the responsibility for Portuguese authorities and these elections will have to be held as quickly as possible. The most probable date seems to be the date that coincides with the early legislative elections (5 or 6 October) during which 24 deputies are to be elected, to sit in Strasbourg. We remember that the European elections for that parliament will be held in 1989.



Key: 1--Final deadline for dissolution of Assembly of the Republic; 2--Presentation of candidates for deputies for the Assembly of the Republic; 3--Election campaign; 4--Early legislative elections; 5--Elections for self-governing bodies; 6--Presentation of candidates for presidential elections; 7--Election campaign; 8--Presidential elections (first round); 9--Presidential elections (second round, if applicable); 10--End of term of office of president of the republic; 11--First election of Portuguese deputies for European Parliament; 12--July; 13--August; 14--September; 15--October; 16--November; 17--December; 18--January.

POLITICAL

PORTUGAL

POLL RESULTS: FREITAS DO AMARAL VICTORY IF ELECTIONS TODAY

Lisbon O JORNAL in Portuguese 28 Jun-4 Jul 85 p 10

[Text] Freitas do Amaral would win a guaranteed victory if the presidential elections were to be held now, beating Lourdes Pintasilgo or Mario Soares soundly if either of them were to run against him in the second round, according to an exclusive public opinion survey by Marktest/O JORNAL.

According to the results of the survey held this week, among a representative sample of the urban population in continental Portugal, the "voters" expressed their preference for the former chairman of the CDS [Social Democratic Center Party] with 28 percent, as against Lourdes Pintasilgo with 23 percent, Mario Soares with 16 percent, and Cavaco Silva with 11 percent--assuming that they would be the main candidates during the first round. However, 11 percent would not vote for any of those names and 12 percent did not respond.

Faced with the assumption of a second round between Freitas do Amaral and Lourdes Pintasilgo, the interview subjects were inclined mostly to the former with a figure of 45 percent whereas 33 percent said that they preferred the first woman to head an administration in Portugal.

Under this assumption, 12 percent would not vote for either of them, while 10 percent did not respond.

If the rivals were Freitas do Amaral and Mario Soares, the preference of interview subjects would mostly go to the former chairman of the CDS with 42 percent while the socialist leader would be the better man for 28 percent. In this scenario however the rejection of the "voters" would increase: 18 percent would prefer not to vote for either of the two presumed candidates while the percentage of those who did not respond went up slightly to a figure of 12 percent.

A third assumption was presented to the interview subjects, calling for a second round between Mario Soares and Lourdes Pintasilgo. In this case, the current head of government would get the larger number of "votes" with 39 percent as against 30 percent for the former prime minister.

This Marktest/O JORNAL survey was conducted between 2 and 25 June among 512 individuals of both sexes, living in urban cities on the continent, and the data were collected by means of the random selection method for homes and individuals with predefined quotas.

For Which of These Candidates Would You Vote in the First Round?

Freitas do Amaral--28%; L. Pintasilgo--23%; Mario Soares--15%; Cavaco Silva--11%; None of the above--11%; No response--12%.

And for Whom Would You Vote in The Second Round?

Freitas do Amaral--45%; L. Pintasilgo--33%; Neither of the above--12%; No response--10%.

Freitas do Amaral--42%; Mario Soares--28%; Neither of the above--18%; No response--12%.

Mario Soares--39%; L. Pintasilgo--30%; Neither of the above--21%; No response--10%.

5058

CSO: 3542/217

POLITICAL

PORTUGAL

# MAY POLL SHOWS PINTASILGO MAINTAINS LEAD

Lisbon DIARIO DE NOTICIAS in Portuguese 6 Jul 85 p 3

[Text] Lurdes Pintasilgo would take first place in a presidential confrontation with Mario Soares and Firmino Miguel, according to a poll taken at the end of May by Euroexpansao, to which ANOP had access.

The results were taken from a sampling of 6,835 people questioned in 214 localities scattered throughout the country: Greater Lisbon (1,584), Greater Porto (704), Northern Coast (1,461), Central Coast (1,012), Northern Interior (1,094), and Southern Interior (981).

If Mario Soares were to be a candidate supported by the PS and PSD [Socialist Party and Social Democratic Party], he would obtain 21.4 percent of the votes. Firmino Miguel, with the support of the PRD [Democratic Revewal Party], would have 11.2 percent, and Lurdes Pintasilgo, running as an independent, would total 24.1 percent. In this scenario 19.5 percent abstained and 23.8 percent were undecided.

By sexes, Pintasilgo would have the vote of a few more men than women, 26.1 percent of the men and 22.2 percent of the women, while Soares would obtain the percentages of 24.4 and 18.8. Firmino Miguel would have 12.8 and 9.8 respectively of men and women.

Pintasilgo would receive the largest percentages of votes in the age group between 25 and 54, while Soares would receive the votes of those between 18 and 25 and those over 55.

Mario Soares, supported by the PS, would obtain 15.8 percent of the votes; Firmino Miguel as a candidate of the PSD and CDS [Social Democratic Center Party] would receive 15.4 percent, while Pintasilgo, supported by the PRD would win with 26.8 percent.

In this scenario, the male percentage in favor of Pintasilgo would rise and in the age groups he would only lose to Firmino Miguel in those over 65.

In a second round, facing either Soares or Firmino Miguel, Lurdes Pintasilgo would win by 29.2 percent to 24.2 percent and 29.7 to 20.4 percent respectively. Facing off against Firmino Miguel, Mario Soares would win by a scant margin of 21.3 to 21.2 percent.

Abstentions in these three cases would be 22.5, 22.3 and 28.6 percent and the undecided would reach 24.1, 27.7 and 28.9 percent respectively.

In any case, more than half of the voters who stated an intention of voting for the PRD (69.2 percent if the adversary were to be Soares and 60 percent if it were Firmino Miguel), answered they would vote for Pintasilgo in the presidential elections.

On the other hand, 60.4 percent of the people believe that a prime minister should not remain in office after the date of announcing his candidacy. Twenty two point four of them vote the other way and 17.2 percent are undecided.

8908

CSO: 3542/218



POLITICAL

PORTUGAL

# JUNE POLL SHOWS FREITAS GAINS

Lisbon SEMANARIO in Portuguese 6 Jul 85 p 10

[Article by Margarida Viegas: "First Round Still Fatal for Soares, Second now Deadly for Pintasilgo"]

[Text] All roads lead to the election of Freitas, which once the initial scepticism passes and stupefaction digested becomes the new routine of the polls, others and ours. However, everyday the world turns and Portugal has days in which it turns several times and the half year that separates us from the presidential elections would not be needed to turn the certainties of the moment into old, yellowed illusions. From May to June the return of the presidential inclinations of the PSD [Social Democratic Party] to the zone of the enigmatic and the intrusion of the legislative elections caused the Portuguese to fall back into indecision. And they gave Soares a great opportunity.

It is true. In the confusion only Soares--the self-proclaimed basion of stability--is rising. According to the perverse tradition of moving always in the opposite direction of his party, he obtains his best score in the first round--17.2 percent--at a time when the PS [Socialist Party] falls into its deepest misery--19.8 percent--according to poll we published in the last edition. Since Pintasilgo in turn loses 3.5 points, the distance between the two (present) candidates who will face Freitas in the decisive round is reduced from 11.2 to 3.4, nothing, in short--what is 3.4 percent compared to the 35.3 percent of undecided votes.

Soares has been encountering two principal enemies: women and Lisbon. They continue intransigent: In their eyes he is worth 6 points fewer than in male eyes and 5 points fewer than Pintasilgo. The men only see one point of difference.

However, Lisbon--and this is crucial--is beginning to waver. With a spectacular rise of almost 10 points Soares has taken off upwards, 18.5 percent in the first round, two tiny tenths of a point behind Pintasilgo, which would also win in the second round in the capital as well as in the country.

There is more. Persons gifted with that indescribable something known as "sensitivity of the left" assure us (off the record) that no matter how much Cunhal raves, in a final faceoff between Freitas and Soares the communists will vote for Soares. In Evora--the only one of the six cities polled by Norma where the APU [United Peoples Alliance] predominates, and also the only one in which Freitas would not even go into the second round--the same thing happens: If the second round is disputed between the two "candidates of the right" (in the terminology of Cunhal), the left candidate will win (in short Soares) by 34.8 percent against 18.6 percent, in the midst of a furious abstention.

#### Implications

Well, no one would say it up to this point in the narration, but it is Freitas who wins in all the cities in the first round (with the exception of the peculiarity of Evora) and in all of them in the second round. The magnificence of the fact is, however, dimmed by the fact--which we also anticipated--that by comparison with May he lost 6.5 points in the three-candidate competition or 7 points in the final round against both Soares and Pintasilgo. His margin of comfort narrows--and there are those who read bipolarization in that. At any rate, Freitas continues to beat Soares more at will than he does Pintasilgo (by 11.4 and 6 points, respectively), although in the case of Soares that "at will" has been reduced by half.

Beyond the potential victory, the happy side of things from the viewpoint of Freitas would be that despite the existential doubts of Cavaco Silva, the full PSD/CDS [Social Democratic Party/Social Democratic Center Party] will go into the second round (to judge by the results of the poll we published a week ago). With the same logic, there is the rise in Viseu (15 points) and Coimbra (9), in an instructive parallel with the recovery of the PSD. By the way, with a decline of Soares also.

On the sad side is the decline in Lisbon and Vila Real--but it is also true that this decline is from a mad enthusiasm in May. He also loses in Evora, where there was never any enthusiasm.

It is precisely in these three cities where Soares is gaining.

As far as Pintasilgo is concerned, she is moving backward in Lisbon, Porto and Vila Real--but moving forward in the other three.

Freitas/Pintasilgo: In a second round spearheaded by Lisbon, Porto, Coimbra and Viseu, it would conclude with a victory by Freitas in Lisbon (38.2 to 27.4), Coimbra (27.2 to 24.0), Viseu (34.9 to 25.7) and Vila Real (29.1 to 20.1). And in the country, obviously. Pintasilgo would win in Evora (57.2 to 19.2) and in the nutty Porto (36.8 to 34.3). It is not enough.

Second round, Freitas/Soares: For the time being only the bellwether Vila Real gives an indication; for the time being it would also provide a Soares victory there (26.3 to 22.3), as would Evora (34.8 to 18.6). It is not enough either.

Second round, Soares/Pintasilgo: Something exclusively of Evora, Pintasilgo would arrive at Belem because of its will and that of Porto (31.4 to 23.4) and Viseu (27.1 to 18.0, with 54.8 percent of the voters not voting for either). However, the country would not stand for it and would elect Soares.

#### Classes

More fed up than ever, 58.1 percent of the poor do not want to vote for anyone. However, in a spectacular change of mood, they plug Freitas in the first round and give him the win in the second against Pintasilgo or Soares and they would also prefer the latter to her: The poor have turned anti-Pintasilgo.

The rich, who already were, shove the lady out of the second round and elect Freitas. However against Pintasilgo, they vote for Soares (41.9 to 18).

Soares is the man the middleclass detests and who they do not want to see in the second round. They would try to liquidate him against any adversary. If necessary they would line up with Freitas. Their love, however, is undoubtedly Pintasilgo.

8908

CSO: 3542/218

POLITICAL

PORTUGAL

PS PREFERRED OVER PRD FOR POSSIBLE PSD ALLIANCE

Lisbon 0 DIABO in Portuguese 2 Jul 85 p 2

[Article by Jose Miguel Judice: "The Fifth Party and Its Alliances"]

[Excerpt] Many forecasts on the coming legislative elections-- which are based on the assumption that there will be five parties competing--point to the probability that the PSD will be the party most voted for and also to the conviction that no alliance of two parties (except possibly the PSD-PS [Social Democratic Party-Socialist Party] alliance) may aspire to an absolute majority of seats. Those forecasts therefore point to the principal role of the PRD [Democratic Renewal Party] as an arbiter of the political game.

Accepting those fallible assumptions, it would be well to reflect somewhat on this young party, its political position and its strategic intentions, and also to make a reference to its manager and its "deux ex machina," Ramalho Eanes.

I believe, to express my thinking on the subject right away, that the PRD is less dangerous potentially than General Eanes, but that it is more pernicious than the present president of the republic. I also think it is more unacceptable to make alliances with the new party than it would be to make them with its boss, and, finally, the best way to destroy the danger is not to allow any doubts about any alliances being made with it, because it is absurd to damn one day what is accepted the following day.

The political danger that resided in General Eanes was, undoubtedly, the permanent possibility that through him we would go into a "Peruvian" phase of a Portuguese political regime through the plan of personal power of the current president.

But in addition to that, it was the danger of opening the area of political activity in the area of government to the PCP [Portuguese Communist Party] without even requiring the moderation and caution, which throughout the world is exercised by parties which approach the area of the exercise of power. And the danger also resided in the fact of the peculiar concept of democracy held by the tenant of Belem, whose actions were always more motivated by an anti-establishment idea than one of support for the government. For that reason the political actions of General Eanes--disguised formally with the idea of consensus--has to be paralyzing, delaying and distorting.

By comparison with its boss, the PRD has few means of action and therefore, the dangers are quite minor. However, if it managed to achieve the position of a party with a deciding vote, it could not help but reflect the manner of making politics of its boss and for that reason would show tolerance for the PCP, have a preindustrial viewpoint of democracy (as was revealed by the grotesque episode of the trip by "Dr Manuela" to Tomar, disguised as Evita in the Portuguese mode) and a tendency to paralyze the majorities of which it is part because it is always sensitive "to the other side of things."

For that reason, weighing evil against evil, it would always be preferable to negotiate with a man--and hope that once an agreement has been reached he will abide by his promise--than to seek to do so with a party, which to all the defects of "Eanism" personified, it is going to add those which result from an anomalous and contradictory mass of militants and leaders, who only as counter-establishment advocates can find a possible unity.

By this I wish to say that no logic and no political reason can exist for those who opposed General Eanes and refused alliances with him, to come now to accept alliances with the PRD, on one hand because the alliance is more pernicious now; on the other, because it is less effective in terms of power than an agreement with the president because he could always add the prestige of his office. As if this were not enough, it can even be said that the human mass that makes up the PRD weighs on the boss because it has less prestige and is more to the left than he is.

This having been said, it seems obvious that in my point of view the entry into the political game by the PRD must be dealt with from the point of view of the PSD or the CDS [Social Democratic Center Party], as the entry of a contestant against the PS, who only provides the inestimable service of helping the PSD to become the first Portuguese party. This being so, it would be as absurd to enter into agreements with the PRD as it would to come to an agreement with part of the PS--precisely that part which is more to the left and places itself more to the east!

A small party has the importance of small things if it is always treated as an irrelevant thing. Now, if it were to be given importance, such as admitting--against all indications--that an alliance with that party could become necessary, then it is transformed in political terms into the greatest of all parties, the party which brings rain and good weather, through the selection of its allies and the conditions it imposes on them.

With respect to that, the legislative elections of October will be decisive. If the PSD were to say that in no case will it make an alliance with the PRD, it will make a vote for the PRD a vote which is simply useless. If on the contrary, it were to allow a doubt to be raised about that, it would contribute to making it highly justifiable for those who do not like the PS again to avoid voting for the PSD, because they would reach the same objective in a less drastic manner. That would mean that the PSD would be penalizing itself gratuitously.



The country needs a government capable of making reforms and causing a change in direction. Everything that the PS refused to do, will be refused by the PRD because Soares, despite everything, has fewer leftist complexes than Ramalho Eanes or Jose Carlos de Vasconcelos. As a matter of fact, does anyone have any doubts that the PRD will not agree with a policy of truth in public endeavors, with a reform in the social security system to prevent its total failure and with a European policy of labor and agrarian legislation?

Things being what they are, an alliance with the PRD would be an option of a minority for the PSD (since the CDS would take advantage of it to remain out of it), which would have no justification except the affinity for power of which the PSD is accused and not always wrongly. However, as far as that is concerned, it is best to have clarity: The Socialist Party is preferable among the left. If the PSD were the first Portuguese party and it did not manage to acquire a majority by itself with the CDS, then it would always be preferable to support Mario Soares for Belem and have him head the government than to seek phony, useless alliances with the PRD.

8908

CS0: 3542/221

POLITICAL

PORTUGAL

# COMMUNISTS MOST LIKELY TO GAIN FROM DISSOLUTION OF ASSEMBLY

Lisbon SEMANARIO in Portuguese 6 Jul 85 p 2

[Article by Marcelo Rebelo de Sousa: "PCP is Going to Gain, the PSD Perhaps, the CDS Perhaps Not"]

[Excerpts] The dissolution of the Assembly of the Republic is finally an accomplished fact.

All or almost all declared they wanted it even when only because of the simple fact of being afraid to confess that they feared it.

The parties without their own presidential candidate could think they were gaining something by pitting the three candidates against each other in the race.

Let us begin with the PCP [Portuguese Communist Party]. Why is it that the PCP won everything with the dissolution and only remain harmed without it?

Let us think right now only of the presidential picture even because the PCP early understood that the key for political stability of the country would not come from elections in October with one more party (the party of the president) even if it were to open--as it may open-- the door of access to the Executive Branch.

The PCP obviously wants to destroy the presidential candidacies of Dr Mario Soares and Engineer Maria de Lurdes Pintasilgo.

The PCP knows that a candidate of the right only has an almost unbeatable chance to win if the left is to fragment irremediably, divided by two candidacies. The PCP has not yet given up the idea of a single candidate from the left.

However, that candidate, who would become extremely dangerous for the right, can only advance if the two candidates already launched were to be forced to withdraw.

What better way to force that withdrawal than early legislative elections which will smash the PS [Socialist Party], discourage Dr Mario Soares and paralyze the electoral campaign of engineer Pintasilgo?

Without that qualitative change in the Portuguese political picture, nothing or no one can make them leave the scene on their own accord...

What a dream if with the PS defeated in October, candidate Dr Mario Soares gone and candidate Pintasilgo forgotten it would be possible to forward a single candidate, polarize the left, including the less radical.

An April military man, of the Colonel Costa Bras or General Garcia dos Santos type, could be the profile accepted or wanted by many sectors of the left in their preoccupation with unity for winning votes.

In short, the PCP can only win by muddling the political-electoral panorama, and for that purpose the dissolution and the early legislative elections are useful.

As for the rest, we shall add something more in broad strokes.

Although the right has not understood it, the candidacy of Engineer Maria de Lourdes Pintasilgo was and is objectively essential.

Many candid and pure souls to the right of the PS have become angry at the attention such a candidacy has aroused. They fear her, they fight her message, they reject her person, they do not comprehend the prominence she deserves.

Let us understand each other. One thing is the candidate, her program, her initial "elan," the stone thrown into the puddle of much of the left, everything that was, and has been that effort to present a nonpartisan candidacy with the official opposition of the PS and the implacable and abrasive opposition of the PCP. Those who place themselves at other quadrants should try to understand her and respect her but they do not have to agree with her or rejoice with her.

Another thing is the arithmetic and political fact of that candidacy being objectively a blessing for the right, a populist cleavage in the left, a thorn to the PS and a train which the PCP cannot manage to control.

The PCP does not deceive itself, it only waits ardently for the end of the Pintasilgo dream. It only longs for the moment of the takeoff of the candidate of democratic unity and 25 April.

Let us go on to the PSD [Social Democratic Party]. What could it gain from the dissolution, pitting the three presidential candidates already launched against each other?

Obviously that the question here is not posed in terms of candidates of the left but rather of the candidacy of Dr Diogo Freitas do Amaral.

The PSD lost out on several occasions provided it for forwarding its own candidacy. It lost in March 1984. It lost in June 1984. It lost in December 1984. It lost in February 1985. It lost in April 1985.

For some consciously, for others (perhaps the majority) unconsciously, the PSD adapted itself to the idea that presidential elections were the worst way for achieving political leadership. Postponements have limited its maneuvering space drastically.

With the access of Dr Cavaco Silva to the leadership in May, it was a candidate to prime minister, not a candidate to the presidency who arrived.

If this is so, why not bet on dissolution and on early elections? Why not settle for a possible prime minister instead of battling for a problematic presidency?

Why not win the legislative elections and then arbitrate the presidential elections from a stronger position negotiating with Dr Freitas do Amaral or even advancing toward another candidacy?

It is probable that what was done deliberately, intentionally and obviously in the PCP was done--at least in part--unconsciously or preterintentionally in the PSD.

However, the preterintentional (which means wanting to do something and causing much more than that as a result) is part of politics. And perhaps it explains a great deal of what has happened, and is going to happen, in Portugal 1985.

In summary, for the PSD the dissolution and early elections may appear as the path toward a legislative majority, toward its own prime minister and for an additional political space in matters of presidential elections. The point is that there is a legislative majority (which has much to do with the question of joint slates with the CDS) and also that there is such a space for presidential maneuvering in October and November.

If for the PCP the intention of liquidating the candidacies of Dr Mario Soares and Engineer Pintasilgo is obvious and it is at least tempting for the PSD (even in an "a posteriori" ratiocination) to want to bet on a Prime Minister Dr Cavaco Silva, controlling the candidacy of Dr Freitas do Amaral or creating another, what is going on in the CDS [Social Democratic Center Party] is more original and in the realm of the unconscious than in the area of the rational.

What does the CDS gain from the dissolution, early elections, the muddying of the presidential campaign and the imprisonment of Dr Freitas do Amaral?

The polls are clear: If the desire of Dr Cavaco Silva to be prime minister is practical, even if not certain, the dream of Dr Lucas Pires of being prime minister is purely and simply not practical. The CDS can even remain far from the expectations of climbing to near 20 percent.

This being so will it bet on joint slates with the PSD so as to achieve power?

It appears it will not since it poses impossible conditions out of proportion to its negotiating weight.

This being so, is it at least saving Dr Freitas do Amaral, avoiding wasting him in inadequate compositions, extemporaneous embraces or preposterous invocations?

Neither of the two. Every week the CDS does the opposite of what the candidate it is preparing to support does. He wants to give the appearance of being independent, autonomous, above parties. The CDS spends its time claiming him, imprisoning him, reducing him...

There is in this behavior, a mixture of propensity for the kiss of death, for the complex of succession and of jealousy toward Dr Cavaco Silva.

The kiss of death--every caress of the CDS for Candidate Dr Freitas do Amaral is a hindrance for his campaign, an additional headache, an unnecessary stumbling block.

Complex of succession--it could be said that Dr Lucas Pires acts towards Dr Freitas do Amaral like the Marina of the soap opera "The Successor," acts toward Alice Stein.

More distinguished, more restrained, more repressed, but no less offended.

Two years later, the weight of the predecessor, the party father, the founder, is too much for the one who succeeded him. Since it is not possible to kill him politically by stabbing him, it is beguiling to kill him with an excess of tenderness.

Jealousy of Dr Cavaco Silva--the icy surprise, the irrefusable but painful present of the candidacy of Dr Freitas do Amaral, to which is added a leader attractive to the right in the PSD, who is also attractive to the centrist rank and file, with a better profile for prime minister and of whom Dr Freitas do Amaral says he is the ideal prime minister, was too much.

It is a gigantic dose capable of leading any political leader, even a skilled one, to suicide. Two years to make people forget the founder and there he is--although finished in the party--reappeared as presidential candidate.

Two years of being in the opposition, of captivating the right, establishing a record, and there appears a candidate who is stronger, more tempting, more convincing, to lead the right and head the government.

In short, the CDS is on a path which is less of reason and more of necessity, even when Dr Lucas Pires sees the problems very well and notes what is happening in the PSD.



It is no longer a political phenomenon, it is a psychological inevitability, although partially unfair. However, Portuguese politics is made up of partial and relative injustices.

It remains to be asked in few words: Have these intentions, preterintentions or inevitabilities of the PCP, PSD and CDS had any effect?

The PCP has to its credit a slight but continuous decline in the ratings of Engineer Pintasilgo. Polls already show her as losing progressively to Dr Soares. However, the smashing and withdrawal of the latter is not yet obvious.

The PSD has to its credit the reasonable electoral polls with respect to the legislative elections. It is not yet clear however what the final result will be nor much less the formation of the legislative majority.

If the PSD were to dare to propose joint slates seriously to the CDS (even if it were to refuse) and it would declare itself in presidential matters as of now, it could rack up many and decisive points. On the contrary, whatever God wills.

The CDS has nothing to its credit and runs the risk of seeing its debits increase. It declines or becomes static in the polls, it erodes the candidacy it proposes to support and it does not expand its field of maneuver, it restricts it. If in addition it persists in not wanting--de facto and in realistic terms--joint slates, it is not possible to understand what it profits from the path it has taken.

And the candidates, how are they faring after the beginning of the "intermezzo" of legislative legislations?

There is one clear fact: Engineer Pintasilgo is losing ground, little by little, but she is losing. A bad sign for her. A bad sign for the right. A good sign for the PCP and General Eanes.

An odd fact: Dr Soares is not yet losing much ground. This contrasts with what the candidate was as an example of what a prime minister should not be. Dr Mario Soares was a rare example of recidivism in governmental ineptness, eroding the government, destroying successive leaderships in the PSD and concluding by provoking the final collapse. Even so he benefits from being the only candidate not affected by the party strategy of legislative dissolution.

A less strange fact: Dr Freitas do Amaral has resisted party activities in the electoral areas which polls declare as his. Perhaps this is due to his concern about his statements, the good judgement of his open letter to General Eanes against the dissolution of the Assembly of the Republic, or his desire to separate himself from alien behavior. However, it is due more to his own character than because of the help or support of others.

Everything considered, has it been worthwhile for the PCP, PSD and CDS to bet on the dissolution of the legislature in terms of the presidential elections?

For the PCP the answer is clear; It is always worthwhile. For the CDS, facts appear to indicate the opposite. For the PSD, the answer depends on knowing the following: Is it going to head a legislative victory? Is it going to generate a majority? Is it, as a result, going to create better conditions of stability in the government and for the victory of the candidate it will support in the presidential elections?

Everything considered, will the already declared candidates draw any benefits from the dissolution?

For Engineer Pintasilgo it is negative and may be fatal. For Dr Soares it may be a life-saving plank. For Dr Freitas do Amaral it is a test of political foresight. If he were to win, he would do it against his enemies, and even more, against his alleged friends...

8908

CSO: 3542/221

POLITICAL

PORTUGAL

IMPORTANCE OF PSD, IRRELEVANCE OF PARTIES TO NATION STRESSED

Lisbon DIARIO DE NOTICIAS in Portuguese 26 Jul 85 p 8

[Article by Romeu de Melo: "The Two Majorities"]

[Excerpts] The Portuguese electorate has demonstrated a notable stability in functioning within the rules of the game of the democratic alternance in power. It somehow reminds one of the electoral behavior of the majority of democratic countries, with democrats and republicans, conservatives and laborites, with the right and the left, with social democrats and Christian democrats alternating in the government, while everyone remains within a pre-established structural model.

At first glance, our political party profile reminds one of the Italian model, with a number of small parties gathering around two tendencies. But one can see immediately that these two tendencies do not exist, because the left itself does not exist as an alternative for power—not even at the local or municipal levels—and the right cannot claim itself victoriously as such.

What does exist in Portugal is an all-powerful center, within which two tendencies are generated, corresponding to two possible majorities: in other words, the only two viable majorities since 1974.

We are referring to the center-left, to which cling our type of socialism and our so-called social democracy, and to a center-right which gathers around it the above mentioned social democracy and what we call our Christian democracy. The experiment that was tried out, that is, the alliance between socialists and Christian democrats, only possible because of the excessive pragmatism of the socialist leadership, functioned like the fleeting exception that is indispensable to the existence of the rule.

But why is it that so much reticence is used in finding the correct name of these tendencies and parties? In Portugal, all political classifications have always been affected by the little respect for words and by the lack of consideration for party programs. The distribution of the leading cadres and respective militants in the various parties did not always respect the principle of coherence or of political orientation. So much so that, were we to apply here the consacrated division between the right and the left, we would see that there are militants and adherents of parties claiming to be leftist which should be to the right of certain leaders and militants who term themselves Christian democrats.

What negatively affects a political-ideological clarification is the lack of formation of the doctrinal structure of each political group at the party level, a result of excessive pragmatism in political and party life. The drawer used by Mario Soares to put away an uncomfortable and non-viable socialism of Marxist roots became an example of many other drawers of various sizes into which were consigned the respectable ideological and doctrinal principles to be found solely in party platforms or in some finely honed literary speeches.

What each person thinks--or believes he thinks--in theoretical and doctrinal terms, and the party to which he belongs, have become so distinct and occasional that any resemblance between them is pure coincidence. The consequences of this incoherence are more than obvious in the tortured evolution of party life, involving the conflicting tendencies, the secessions of rebel groups, the opposing leaderships that have already assaulted all parties, with the Communist Party the only understandable exception. In the absence of doctrinal coherence, there is only one agglutinating and pacifying element; submission to an uncontested leader who has emerged following the fratricidal struggle for power.

The two majorities--always subjected to some vicissitudes--have alternated within this context of party life, because both the center-left and the center-right have attempted to function around a program or a group of principles that could grant the continuation of some policy for a number of years and the possibilities for its implementation.

The fundamental element for either of these two majorities is the PSD. The tortured course of this party since the disappearance of Sa Carneiro has prevented a clear definition of Portuguese politics for future years. However, if we look carefully, the PSD is a sort of subconscious of Portugal itself in the field of politics, full of vague definitions, lacking the proper cultural education and always in quest of something. One could say rather appropriately that this has been the most stable phenomenon in Portuguese life: an open door for destabilization. That is why it is essential that the PSD finally find its adequate physiognomy, its doctrinal profile, its proper leadership, in order to establish the most convenient majority for the country in the course of time.

We are fully aware that self-definition by the PSD bears an established relation with the type of majority it will be. But a vision of this majority entails the kind of knowledge of self that imposes internal order as an essential need of that party. The settling of the various tendencies, and especially the differentiation between political tendencies and personal irreverence, or, in other words, between doctrinal motives and individual ambitions, are fundamental to the party, so that it can assume the heavy responsibility of defining itself and, simultaneously, of choosing between the center-left and the center-right.

To the man in the street who will vote and on whom will depend the final outcome, two courses are open, which lead to somewhat different goals. And it



is sometimes within these not-too-deep and not theoretically significant differences that prosperity is won or the road to progress is lost.

The center-left offers more state interventionism and a more equitable social policy. In principle, there are more public services, more macroeconomics, more social assistance--something that entails heavier taxation--more free education, more equalization, more control over citizens. The center-right, on the other hand, proposes more private activity, more free markets, more differentiation of sacrifices and benefits, more opportunity for the good and not-so-good inclinations of the individual.

On paper, without historical or socio-psychological considerations, the programs are equally acceptable. We would say that they both aim at providing peace and prosperity to humankind.

In Portugal, one always has to take into account the atavistic inefficiency of the public sector, as well as the excessive individualism of the Lusitanian soul. The first fact militates against the center-left, while the second threatens the efficiency of the center-right. The first raises a vision of an inept, complicated, lazy and corrupt bureaucracy, which does not respect the rights of the people and reduces national existence to a filling-out of papers and the payment of fines. The second suggests a struggle between some avaricious individuals and a mass of impoverished, grumbling citizens within a mess of rights and duties, which ends up in the vociferous demand for some strong authority to impose order at the expense of a delay in social and technical progress. The first promises a social state but results in a bureaucratic one; the second promises a liberal state, but results in an autocratic one.

Taking all this into account, some dangers will have to be neutralized and some precautions must be taken, without converting theory into pragmatic rules, but also without committing the error of closing the drawers of the palpable and concrete reality of Lusitanian life and history. To solely maintain those public sectors that interfere with the excessive Latin individualism of our good Portuguese and to leave all others to private activity is a golden rule that will tend to avoid the age-old tendency to national bureaucratization. To establish a national plan for education and assistance without trusting in the weak social convictions of our compatriots is a healthy measure that will bar the way to a return to national illiteracy and to an increase in the number of indigents.

Like any other citizen, I am only reflecting on the panorama before us. I see two possible majorities in the all-powerful center, which rise and fall like the tide, and I recognize the parties' importance in this constant movement, while not disregarding the extra-partisan shaping that the electorate will impose on it through its choice of a chief of state.

The two majorities seem insignificant, and perhaps this was at the root of the instinctive search for a third solution or a grand new party. But in essence, we are not dealing with names of parties or with individuals,



but rather with rules that must be respected and should lead, from the basis of cultural and historical reflection, to facts and pragmatic realities.

My modest opinion is that the stable majority that would best respond to the questions of the country will emerge, in the end, from the confrontation between national needs and the limited resources that are available to face the successive challenges appearing on the horizon, not the least of which is our membership in the EEC. All along this process, the names of the parties, the features of the individuals and the seriousness of the issues which become increasingly diluted. The only thing that will be left will be what is of interest to history.

CSO: 3542/236

30 August 1985

POLITICAL

PORTUGAL

## POLL REVEALS WIDE DISAPPROVAL OF NARCOTICS

Lisbon O JORNAL in Portuguese 28 Jun-4 Jul 85 p 1

[Text] For 92 Portuguese out of every 100, the family is a "fundamental institution" according to a public opinion survey conducted by Marktest/O JORNAL during the last week of April in 16 localities throughout the country. The study covered 500 persons over the age of 18, living in towns with more than 10,000 inhabitants.

The majority of interview subjects (84 percent) really did not agree that the family is "an institution that is now out of fashion" or "an institution that is only a material base."

By the same token, marriage is advocated (61 percent) as "an indispensable base for the family." This position however fluctuates depending on age and sex. In the youngest groups (under the age of 35) there are accentuated contradictions.

Women turn out to be less "conservative" than the men on these topics. Thus they are fewer in number than those who think that marriage is fundamental and indispensable for the family; and they are larger in number than those who consider marriage an institution that is out of fashion, based only on material interests. Those who think that marriage is only "a formal legalization of life by two people together" are also in the majority.

Different answers were also received to the following question: Do you or do you not agree with the idea of sexual relations prior to marriage? The majority (59 percent) agreed, 36 percent did not agree, and 5 percent expressed no opinion. But here it is the women who are in the minority: 49 percent of the women agreed to pre marital relations and 43 percent disagreed; among the men, 70 percent are in favor and 27 percent are against.

The consumption of "light drugs" is rejected by the overwhelming majority: 83 percent (88 percent of the women and 86 percent of the men) are against; 13 percent are in favor and 4 percent had no opinion.

## Education is Bad

Education in Portugal was another topic up by this public opinion survey which reveals that it is bad and essentially the same as it was 11 years ago.

The image of teachers is rather negative in public opinion, as is their training and competence.

For 40 percent of the interview subjects, a diploma is not "a passport to a job." The future of our youth is considered to be "uncertain" by 81 percent.

And 46 percent think that Portuguese education is "bad," 26 percent think that it is "reasonable," and 23 percent feel that it is "very bad"; only 2 percent call it "good." The severest criticism comes from Lisbon, from the South, and from Porto, where, respectively, 78 percent, 52 percent, and 40 percent considered it to be "bad."

Next, 43 percent said that it is "worse" today than what it was 11 years ago (53 percent in the South, 44 percent in Lisbon, 40 percent in Porto, and 36 percent in the North); 28 percent think that it is "better," 12 percent feel that it is "the same," 8 percent think that it is "much worse," 1 percent feel that it is "much better," and 7 percent expressed no opinion.

## Teacher Image

The training given to teachers for their jobs is considered "reasonable" by 39 percent, "bad" by 37 percent, "very bad" by 6 percent, "good" by 6 percent, while 12 percent expressed no opinion.

In the opinion of 45 percent of the interview subjects, teachers are "competent," while 41 percent think that they have "little competence"; 2 percent say that they have "no competence" and 1 percent feel that they are "very competent" while 1 percent maintain that they are "highly competent"; 10 percent did not express any opinion.

The value of a diploma also produced divergent responses: 17 percent considered it to be "a piece of paper without any importance," 37 percent felt that it was "an indication of job training," and 40 percent maintained that it was "a passport to a job."

The future of the younger generation arouses general apprehension since 81 percent feel that the future of the young appears "uncertain"; 15 percent think that it will be a future of "guaranteed unemployment" and only 3 percent anticipate that it will be "prosperous."

## Positions of Parties

The position of the political parties (on a scale from 1 to 5, with 1 corresponding to the right and 5 corresponding to the left) showed that, in the opinion of interview subjects, the PS [Socialist Party] is defined as being between the center and the center-left (more to the center for the voters of APU [United People's Alliance] but more to the left for the voters of the PSD [Social Democratic Party]).

The PSD, placed between the center and the center-right, is situated to the right above all for the inhabitants of the northern zone and the voters of the APU. The PCP [Portuguese Communist Party] has a very regular "left-wing" image. The CDS [Social Democratic Center Party] also is tied in with the center-right and the right.

Finally, the PRD [Radical Democratic Party] is placed close to the PS but it is considered to be more to the left by inhabitants of the North and the South and the voters of the APU; 49 percent of the interview subjects however expressed no opinion on it.

## Technical Details

This study is representative of the population of continental Portugal entitled to vote (over 18) and living in towns with more than 10,000 inhabitants.

The interviewers contacted 494 individuals in 16 towns during the week between 19 and 30 April 1985. The selection of interview subjects was made by the quota method and sex, age, and region were used as control variables. The extrapolation of results for the universe was made in keeping with the weighting coefficient on the level of each region. For the entire sample, the maximum error is 4.5 percent (95 percent probability).

The journalistic processing of the results is the responsibility of O JORNAL.

5058

CSO: 3542/216

POLITICAL

SPAIN

## SOVIET SCIENTIST DISAPPEARS MYSTERIOUSLY

### No Asylum in Spain Sought

Madrid EL PAIS in Spanish 18 Jul 85 p 11

[Article by J.J.E.]

[Text] Madrid—Soviet scientist Vladimir Valentinovich Alexandrov, the author of a computer model on the nuclear winter theory, has requested neither political asylum nor refugee status at the General Department of Documentation, an agency subsidiary to the Ministry of Interior that handles requests for asylum or refuge, according to sources in that department.

The police are at present investigating the whereabouts of the scientist following an official request to that effect from the Soviet Embassy in Madrid received by the Spanish Government last 17 April.

An apartment was reserved in the name of the Soviet scientist last 31 March in an apartment building on the Paseo de la Habana in Madrid. Such apartments are frequently used by Soviet citizens who are transferred to Madrid.

On 1 April a Soviet Embassy secretary unofficially reported the scientists' disappearance to the Ministry of Foreign Affairs. Foreign Affairs informed the Ministry of Interior of the missing person and the General Department of Information — a subsidiary of the Interior Ministry — began its investigation. The date the official missing person report was received was last 17 April.

### Soviet Embassy Issues Statement

An official of the Soviet Embassy in Madrid asserted yesterday that scientist Alexandrov had disappeared in that city last 1 April "under unknown circumstances." "The Soviet party to the affair has addressed itself repeatedly to the Spanish authorities requesting them to take the necessary steps to ascertain the fate of the Soviet citizen."

In a telephone conversation with the editorial staff of this newspaper, when asked what information the embassy had about the fact that the missing scientist had been taken from Cordoba to the embassy on 31 March, the same official replied: "I've already told you all I can say to you."



At the Red Cross Refugee Center in Madrid they reported that the scientist does not appear in any of their records, "which is why the agency has not asked us for the help that might be given it."

General Department of Documentation sources yesterday indicated that scientist Alexandrov has requested neither political asylum nor refugee status.

Also, there is no record of scientist Alexandrov's possible departure from Spain, according to what Documentation Department sources added.

The General Department of Documentation handles all requests for refuge and asylum. A foreign citizen can request these two statuses at any Spanish police station or consular office.

The Documentation Department submits the document file to an interministerial commission, composed of representatives of the Ministries of Justice, Interior, Foreign Affairs and Labor, which makes the final decision.

Delivered to Soviet Embassy

Madrid EL PAIS in Spanish 18 Jul 85 p 11

[Article by Alfredo Relano: "A Soviet Diplomat Took Charge of Vladimir Alexandrov in Madrid; Two Cordoba Municipal Council Drivers Delivered the Missing Scientist to the Soviet Embassy"]

[Text] Seville—Vladimir Alexandrov, the Soviet scientist who disappeared in Spain early last April, was taken to the Soviet Embassy in Madrid in a Cordoba Municipal Council car in the late afternoon of 31 March, presumably with the acquiescence of the first officer of the embassy. Alexandrov's trail was lost a few hours later: according to some versions, at the embassy building or an apartment hotel on the Paseo de la Habana, where he apparently registered that same night. Vladimir Alexandrov had visited Cordoba to participate in the Second Conference of Nonnuclear Cities.

The Second Conference of Nonnuclear Cities was held in Cordoba on 29, 30 and 31 March. It was organized by the municipal council and divided into three major topics: "Nuclear Winter," "Education for Peace" and "Initiatives and Experiences of the Municipalities."

The topic, "Nuclear Winter," was to be developed by the Englishman, Mike Pentz, and the Soviet scientist, the creator of a mathematical system for computers concerning the nuclear winter theory (the state in which the planet would be after a nuclear war).

The Cordoba Municipal Council asked the Soviet Embassy what important scientist of that nationality might be missing and it was the embassy itself that suggested the name of Vladimir Alexandrov, from 40 to 50 years of age.

The suggestion was well received by the organizers, who through another one of the participants, the Englishman, Mike Pentz, the president of the Association of Scientists Against Nuclear Armament (SANA), confirmed the fact that the scientist is a prominent one in this field.

Organization sources also indicated that the fact that the embassy itself should suggest this name leads one to think that Vladimir Alexandrov was not classified as a man inclined to defect to the West.

A car from the municipal council went to Madrid, to Barajas Airport, on the 29th to pick up the scientist. Also waiting at the airport were several officials from the Soviet delegation in Madrid, who picked up Vladimir Alexandrov and took him to the embassy where he remained for approximately an hour.

The driver from the Cordoba Municipal Council followed them to the Soviet Embassy, waited and then took the scientist to Cordoba. Once in the Andalusian city, Vladimir Alexandrov found accommodations at the main office of the Colegios Mayores, the place where the conferences were held.

Vladimir Alexandrov gave his talk in English on the morning of Saturday, the 30th, on the topic, "Nuclear Winter." His talk was highly rated for its scientific level. It had been planned for the afternoon that he would participate in a press conference with the American philosopher, Ronal Santoni -- who also participated with a talk on the topic, "Education for Peace" -- but he refused to go, arguing that he was simply a scientist and that he did not want to talk about politics, sociology or anything other than science.

As of noon Saturday, they lost his trail until Sunday morning when they saw him again at the site of the conference in a state of apparent inebriation. Organization sources pointed out the possibility that he had not even used the apartment that had been prepared for him in the Colegios Mayores building to sleep in.

#### No Contact

The Soviet scientist was scarcely interested in the conference and was not present at the other talks. He speaks English and some Italian, but he had practically no contact with anyone.

In view of his condition, Alfonso Ceballos, the personal secretary of the Communist mayor of Cordoba, Julio Anguita, telephoned the Soviet Embassy. When he could not reach the ambassador, he spoke with a person who identified himself as the first officer of the embassy and agreed with him that the scientist would be taken to Madrid that afternoon. This was done with a municipal council Seat 132.

At about 2100 hours on Sunday, the 31st, the car arrived at the door of the Soviet Embassy in Madrid where someone who again identified himself as the first officer of the embassy came to the door and received the scientist. The latter was apparently taken by embassy officials to an apartment hotel on the

Paseo de la Habana where he was registered in his name. However, no one at the hotel specifically remembers having seen the scientist. At that point, at the Soviet Embassy first and subsequently at the hotel, assuming that someone did not register at it in his name and with his baggage, his trail was

#### Last Seen at Embassy

Madrid EL PAIS in Spanish 18 Jul 85 p 11

[Article by Francisco L. Cordoba]

[Text] Cordoba—Jose Moreno and Francisco Delgado were the Cordoba Municipal Council drivers who took the missing Soviet scientist to Madrid. They dropped him off at the Soviet Embassy at approximately 2100 hours on the night of Sunday, 31 March.

"The first officer of the embassy asked us to take him to the Hotel Habana, but we told him that that was not our responsibility. We left him there and saw how they put him into a small van, to take him to the hotel, we suppose. Afterwards, we returned," one of the drivers said to EL PAIS yesterday.

At the apartment hotel reception desk they affirmed yesterday that Alexandrov was in fact registered as a client on the 31st, although they could not confirm the fact that he slept there that night. They added that the Soviet citizen had apparently remarked that he had lost his passport.

The two trips that Soviet scientist Vladimir Alexandrov made between Madrid and Cordoba — on 29 March, the day he arrived, and on 31 March, Palm Sunday, the day he returned — exhibit Alexandrov's great fondness for whisky and vodka as being the sole common factor obtained from the impressions of several members of the conference organization and the official municipal Council drivers who transported him on both occasions.

The most accessible of these clearly expressed his misgiving, almost fear, of talking about a matter that "has become too complicated." "I will only appear in the newspapers," he firmly added, "when I win the lottery, not in a news item of theirs."

Nevertheless, according to this driver's version, the reconstruction of the facts is centered about the assertion that they picked him up "somewhat tipsy" in Madrid on the 29th and dropped him off in similar shape on the 31st at the door of the Soviet Embassy in Madrid.

They left Cordoba on Palm Sunday at 1600 hours in a Seat 132 (the first official car Mayor Julio Anguita, who now has an R-25, had) and arrived at the embassy in Madrid at 2100 hours on the night of that same day.

According to Francisco Delgado, the driver who drove the car to Madrid, the Soviet scientist did not speak during the entire trip except for a repeated

expression he uttered when he saw the signs of some restaurant near the highway. Then, almost by reflex, he would say to the drivers: "Restaurant, stop."

"But we didn't stop," the driver went on, "we did so only once during the whole drive, near a clearing on the plains of La Mancha, after Manzanares, to let him relieve himself."

When they arrived at the Soviet Embassy, an official came out accompanied by a couple of guards and asked the two drivers to take Alexandrov to the Hotel Habana.

They, however, replied that that was not their responsibility and left the scientist in the hands of the officials, who got ready to take the scientist to the above-mentioned hotel in a Mercedes van with a tourist sticker on the back. "From that moment we washed our hands of the problem and returned home," one of the Cordoba Municipal Council drivers stated.

Prior to that, the day he arrived in Spain, Jose Moreno had gone to pick him up in Madrid too. Alexandrov's baggage consisted of a knapsack and another simple bag.

During his stay in Cordoba he was seen in an apparent state of inebriation on the Plaza de la Corredera on two occasions, according to the versions of several people close to the organization. On another day Alexandrov was seen in the area near the General Hospital with the knapsack on his shoulder.

11,466

CSO: 3548/147

POLITICAL

SWEDEN

LEADERS OF COMMUNIST LEFT PARTY, GREENS VIEW ELECTION

Helsinki HUFVUDSTADSBLADET in Swedish 24 Jul 85 p 4

[Article by Marit Ingves]

[Text] Werner: Conservative Wind Subsiding

Visby--"The Conservative wind has subsided. I believe the left will be victorious in the election on 15 September. The Social Democrats and the Communist Left Party--VPK--will win a scant majority."

VPK support will increase compared to the last parliamentary election in the opinion of VPK leader Lars Werner who also took part in the so-called Almedalen round on Gotland.

Before the last parliamentary election in Sweden the chances of the Communist Left Party of coming over the "magic" 4 percent barrier required to take part in parliamentary work were questioned. But VPK got 5.6 percent of the vote, partly because some Social Democrats voted for the party for tactical reasons. Keeping VPK in Riksdag also enabled the Social Democrats, who do not have a majority on their own, to form a government.

Werner also expects to get Social Democratic votes in this election. Many Social Democrats are "dissatisfied with their party's policies, but they will not vote for a nonsocialist party," the VPK leader said.

"The left will win the election on the basis of its own strength, but also because of a split in the nonsocialist bloc," said Werner who listed nuclear power, the price of food, security policy and labor laws as examples of issues that in his opinion the nonsocialist parties will have a hard time agreeing on.

"The nonsocialist parties have made a mess of things," said Werner. "The Conservatives also behave like cannibals who are eating up the middle parties."

"I also believe that the Conservative wave is over," he said and added that both the Social Democrats and the communists failed to realize what was going on in the right wing in the 1970's; that it was organizing itself.



VPK's most important issue in the September election is the same one that has been dear to the party for the last 14 years, namely the demand that the value-added tax on food be eliminated. Instead a luxury tax on certain items should be introduced.

The issue of the value-added tax on food is the only one that "seriously" intensified the situation between the Social Democrats and VPK in Riksdag during the current election period. The government wanted to finance some of its campaign promises by raising the value-added tax by 2 percent. A running debate in parliament forced the Social Democrats to come up with a compromise VPK could accept to prevent the proposal from being rejected.

VPK went along with raising the value-added tax but insisted that subsidies for milk, cheese and fish were also increased. In addition the tax on tobacco was also increased.

"After that we had a more relaxed relationship," said Werner. "Cooperation between us is less 'dramatic.' We take up matters at an earlier stage than the one just before a vote," said Werner who thinks the situation will be the same after the election; the Social Democrats will be in the government and VPK will support them with the help of 7 percent of the votes behind it.

"We have never assisted in the formation of a nonsocialist government," Lars Werner said.

#### Greens: Success This Time

The "Greens" in Sweden, the Environment Party, want to shake up bloc politics in the Swedish Riksdag. "We will win at least 14 of the 349 seats," said one of the party's spokesmen, Per Gahrton, who thinks the Greens will get more than the minimum 4 percent of the votes in this fall's election and will then be represented in the Swedish parliament for the first time.

The representatives of the Environment Party who gathered in Almedalen on Gotland Tuesday were very optimistic. The party, which lacks real leaders, had sent out two of its "spokesmen," former Liberal member of Riksdag Per Gahrton and Ranghild Pohanka to present the message of the Environment Party.

"The opinion polls give us between 2 and 4 percent of the votes, 6 percent of young voters support us and 12 percent of the undecided voters are prepared to vote for a new party," Gahrton said. Interest in the Environment Party has not diminished--there has been a "gradual and stable broadening of interest."

In the last election the Environment Party had the support of 1.7 percent of the voters. The result came as a surprise to many observers who thought the party would surpass the 4 percent barrier in its very first election.

"We need 230,000 votes to get more than 4 percent, the amount required for a party to be represented in the Swedish Riksdag. We will do it this time,"

said Gahrton, "even though the polls also show that a third of those who voted for us last time are undecided now."

If the Environment Party gets at least 4 percent of the vote the party will have 14 members in parliament. The Environment Party figures that it would then play a kind of "swing vote role" between the blocs.

"Since we are not a right-wing or left-wing party but one that takes a stand on individual issues, we will force the other parties to do the same," said Gahrton.

#### Want to Shake Up Bloc Politics

Gahrton also said that if the Greens get in it will be impossible to form an "ordinary bloc government. We can create a whole new situation in the Swedish parliament."

The Environment Party appeared in Almedalen under the slogan, "an alarm clock in the Swedish Riksdag." The Environment Party wants to force the other parties to take up issues like the environment, cultural policy and social policy instead of the material issues. "Economics should just be an instrument in society."

The Greens promise to work with the nonsocialist parties to get rid of the wage-earner funds but instead of turning the money over to private individuals the party wants to build up "municipal funds" for alternative forms of production that are less harmful to the environment. They will support the left on social policy but help the nonsocialists to reduce employer taxes. The Greens also promise to combat "political vagaries," for instance "putting pressure on the other parties so that members of parliament do not raise their own wages while real wages for other Swedes remain the same."

#### Party Needed

Per Gahrton also thinks the Greens in Finland will eventually form a party. If they "don't all do it," at least some of them will, Gahrton said. Some organization is needed, in his view.

6578

CSO: 3650/307

POLITICAL

SWEDEN

FALLDIN, ADELSON DELIVER ATTACKS AGAINST SDP, PALME

Falldin Hits VPK Ties

Stockholm DAGENS NYHETER in Swedish 29 Jul 85 p 9

[Article by Magdalena Ribbing]

[Text] Visby--There is only one issue that the nonsocialist parties feel so strongly about that they can reach an agreement before the elections: abolition of the wage-earner funds. This was stated by Center Party leader Thorbjorn Falldin, who spoke on Sunday in Visby.

Thorbjorn Falldin stated at a press conference that the Center Party would have "considerable difficulty" changing its position that health insurance benefits should remain at their present level. The Center Party leader indicated that, even in a possible nonsocialist government in which the Liberal Party and the Conservatives held a different opinion, Falldin would be forced to support the health insurance position approved by the Center Party Congress and the Executive Committee of the party.

'I Must Yield'

"I, and others, must yield to what the party says," he said.

Thorbjorn Falldin was the last of the established party leaders to speak in Visby, but he did not speak in Almedalen like the others. Instead, he had to yield to the decision of the local party organization and hold a so-called summer session, a tradition for the last Sunday in July, at the Pavilion Grounds 1 kilometer from Almedalen.

It cost the party on Gotland 2,500 kronor just to rent the stage. This is many times the cost of renting Almedalen, but at least there was plenty of room for the 700 farmers and small-business owners who made use of their free Sunday to applaud the many highlights in Thorbjorn Falldin's speech: Keep the present farm system, the lightly cultivated landscape that an overwhelming majority of Swedes want to see, eliminate the property tax, exempt small companies from the capital tax, and so on.

## Threat To Freedom

Most of all, however, Thorbjorn Falldin's speech dealt with the Social Democrats. This year's elections will decide whether or not the Swedish people will abolish the fundamental change in the socialistic-collectivistic direction established by the Social Democratic government during the 3 years they have been in power, he said.

"During the campaign we have heard, and will continue to hear many times until election day, that 'Sweden is on the right road.' Considering what has happened during the past 3 years we should ask: 'What road is Sweden on?' The Social Democrats, with the help of the Communists, are responsible for the limitations that have been placed on our freedom," the Center Party leader said. Responding to a later question, he said that the Social Democrats were a threat to freedom, but not to democracy.

## VPK's Role

The negotiations that have been conducted between the government and VPK (Left Party Communists) did not take place under Per Albin Hansson and Tage Erlander, according to Thorbjorn Falldin.

"How far will this established cooperation go if these two parties retain their majority in parliament? The task of the Center Party is to safeguard the market economy and stop the socialist-inspired changes in the system."

"It is possible that the confrontation between the Social Democrats and the Conservatives that is now taking place in the public debate will attract the most attention, but it is not providing the voters with much information on their policies," Thorbjorn Falldin said. He promised that the Center Party would concentrate on the issues.

For this, he received a round of applause from the people in the audience, who were sunning themselves and buying coffee and roles or crafts at the Pavilion Grounds. Many wore the traditional Gotland costume, with green skirts and red silk vests. County Governor Claes Elmstedt, a member of Thorbjorn Falldin's party, sat on the first row and listened, as he had listened to Olof Palme several days earlier.

The audience also included the uninvited KDS (Christian Democratic Party) leader Alf Svensson, who went forward and said hello to the Center Party leader after the speech, but did not set up a meeting to encourage the Center Party and the Liberal Party to get together, as he had said he wanted to do.

## Reckless

At a press conference after the speech, Thorbjorn Falldin was in a jovial and slightly aggressive mood and lashed out at his nonsocialist brothers several times. It was reckless of Ulf Adelsohn to speak of changes in the system without giving any content to this term, the Center Party leader said.

"I have noticed that, when asked to give examples, Ulf Adelsohn becomes defensive."

#### Adelsohn Confident Coalition Established

Stockholm DAGENS NYHETER in Swedish 29 Jul 85 p 9

[Article by Claes Leo Lindwall]

[Text] Marstrand--"Of course we want to change the system, but I would prefer to call it letting common sense prevail."

This statement was made by Ulf Adelsohn in a speech in Marstrand last Sunday.

It was the opposition leader who came to Marstrand and spoke before an enthusiastic, packed Society House. During the week, the old party leader Gosta Bohman had substituted for him in Almedalen. During the west coast tour, Ulf Adelsohn appeared as the de facto leader of the nonsocialist opposition.

#### Long Attack

Of course, his speech was a long attack on the Social Democrats.

"Social Democratic power means a strong concentration of power and ownership. The reason for this is clear. The Social Democratic movement is a powerful machine, the likes of which can hardly be found elsewhere in the free world," he said in his speech.

He criticized what he called the "brotherhood of power" and the fact that "increased tax pressure is robbing families of their economic independence."

"The poverty trap is not a dramatic threat to freedom that comes in and takes people's freedom away overnight. Instead, it is a trend that has been in effect for decades and has proceeded at various rates. Each time a tax is increased, the politician increase their power at the expense of the family. Each step may seem well-motivated and innocent, but the direction is always the same: toward reduced freedom of action."

#### No Ill Will

But the Social Democrats are not guided by ill will or evil desires, according to Ulf Adelsohn.

"On the contrary, I believe the Social Democrats are honestly convinced that people will be better off when personal freedom and responsibility are replaced with collective decisions."

The opposition leader also appealed for nonsocialist unity in his speech.

"We are convinced that Sweden needs a strong government with the nonsocialist parties working together," he said in his speech. "We are making no absolute



demands with regard to this cooperation. Sweden needs a nonsocialist force that will stick together. We do not need useless internal bickering."

At the press conference before his speech, Adelsohn stressed his role as statesman and unifying leader of the opposition.

He tried repeatedly to tone down the differences between different parties and various people within the nonsocialist parties.

He had also traveled out into the world and compared Sweden and Swedish politics with examples he had heard about at the meeting of Conservative statesmen held recently in Washington.

#### We Can Unite

DAGENS NYHETER: If the nonsocialists are unable to unite, are you prepared to form a minority government?

"My conviction and our policies are based on the idea that each party should campaign on its own and after the elections we will come together and form a government. In terms of the issues and personalities, I believe that the parties are closer today than before any previous election. Obviously, however, if some party chooses not to participate, we cannot force it into the government."

He was optimistic and convinced that the nonsocialists would be able to agree on the important issues. He even believed that Dagmar would not be an obstacle between the Conservatives and the Center Party.

#### We Will Save

DAGENS NYHETER: The Conservatives believe that the economic indicators are pointing downward. The measures now proposed by the Conservatives would have only long-term effects. Do the Conservatives rule out the possibility of increased sales tax and interest rates after the elections?

"In general, when we have had an overheated economy in Sweden and been forced to do something, we have raised taxes because that has the quickest effect," Ulf Adelsohn said. "I believe that, even in a situation of this type, we should not increase taxes. Instead, we should propose budget cuts. Even though this takes more time, it will indicate the direction we want to take. We will gain the long-term confidence of the people."

DAGENS NYHETER: So, if you must increase the sales tax after the elections, that will represent a failure for your policies?

"We will not increase the sales tax after the elections," Ulf Adelsohn said.

## Democracy

How, then, would he define the word "democracy?"

"First of all there is the political science concept advocated by Gunnar Heckscher. Then there is the more human term, as interpreted by Gosta Bohman. Broadly speaking, democracy is the right of us people to determine as much as possible within the framework of a civilized society."

"I believe that when we say we want to expand democracy, we mean that fewer decisions would be made by our representatives and more by the people themselves. The state should protect our prosperity and take care of the weak, protect our country's boundaries, and administer justice among the people. But the state should not determine which bus lines should run, which daycare centers we should have, or what doctor you should see. You should do that yourself."

"In this sense, the Social Democratic policies are a slow step toward a society in which the state, the local government, and various organizations more and more decisions and the individual makes fewer and fewer."

Does he believe that these small steps are leading toward a totalitarian state?

"Why drag everything out ad absurdum? The Social Democrats are a party with deep democratic roots, in which representative democracy is extremely important. Unlike the Communists, they have been of great benefit to the Swedish democracy."

In Washington he criticized the Social Democratic government's policy of state visits with other countries.

"I said that, judging from the visitors who have been here, there has been a high priority on the exchange of visits with the socialist-led countries."

"I have missed seeing some prominent conservative prime ministers in Sweden and, perhaps, visits from Sweden to their countries."

### Palme Favorite With Voters

Stockholm DAGENS NYHETER in Swedish 29 Jul 85 p 5

[Article: "Palme Favored By Voters"]

[Text] Olof Palme is favored to win the prime minister's race.

This was indicated by a SIFO (Swedish Institute for Public Opinion Polls) survey presented last Sunday in SVENSKA DAGBLADET.

Conservative Party leader Ulf Adelsohn has the greatest support among non-socialist voters. Even Center Party supporters believe he would be a better prime minister than the Center Party's own leader, Thorbjorn Falldin.

Just over 1,000 people responded to questions last June on the suitability of the three party leaders to become prime minister.

Thirty nine percent of the respondents believed that Palme would be a better prime minister than Adelson. Twenty nine percent believed that Adelson was the better of the two, while 18 percent believed they were equally qualified.

CSO: 3650/302

MILITARY

FEDERAL REPUBLIC OF GERMANY

# FIRST OF THREE TERRITORIAL READINESS COMMANDS TAKES SHAPE

Bonn LOYAL in German Jul 85 p 26

[Article by Manfred Werle: "In Depth of Area"]

[Text] Retired COL Dr Hans Michael Moll, president of the Reserve Association, commands the 71st Home Defense Regiment, an equipment unit which is part of the Readiness Command as **are three** engineer battalions, one pontoon company, one pipeline engineer battalion, the 61st Home Defense Brigade and the 81st Home Defense Regiment. Active units belonging to the Command include an engineer battalion, a pontoon battalion, a pipeline company, an NBC defense battalion and a topographic battery.

Does the term 'readiness command' mean anything to you ? It does not ? There is no need to feel bad about it, if a random poll conducted among active personnel and reservists ranging from corporals to colonels is any indication. For all that, the Command has been in existence and in operation since it was formed in response to the most recent armed forces reorganization plan instituted in 1981. There may be several reasons why so little is known about the Readiness Command except among those directly concerned with it. The name given to the unit is not particularly striking and thus far only one of the three commands is actually "alive and well." It has a staff headquarters and is located in faroff Schleswig, operating several training centers. A third reason may be that its readily available complement is made up almost entirely of reservists.

Nonetheless, the numbers we are dealing with are equivalent to division strength even though the actual 15,000 figure would not be reached until and unless the unit were fully mobilized.

The only active personnel which are part of the command are the 50-man headquarters staff housed in the rather decrepit, old Freiherr von Moltke barracks in Schleswig. The operational units are located some 50 kilometers away in the vicinity of the North Sea-Baltic Canal near Kiel. Some soldiers who are not on guard duty have set up shop in a barn on the edge

of Tuetendorf. Outside, the men are busy setting up their positions but make little noise while they work. At the command post a few houses further on things are really hopping. The 712th Motorized Infantry Battalion's mobilization exercise "Waidmannsheil II" [Tallyho II] is just winding down after 36 hours of mock combat.

Up to that point, the battalion (with the exception of one of its companies) had been in action for 10 days running. It is being commanded for the first time by LTCOL Wolfgang Schumann, a teacher who has been part of the unit for 12 years, having held the post of deputy commander and company commander previously. That is why he knows most of the master sergeants and non-commissioned officers. He is quite satisfied with the men's accomplishments and their adherence to discipline. Regular army COL Fritz Poller, the commanding officer of the Readiness Command, says that 3 years of experience have shown him that both the morale and the attitude of the reservists is good. The number of those actually taking part in the exercise is proof of that. 701 men were called up and 702 actually came. How so? The call-ups are usually conducted with a so-called 30 percent excess roster. In the case of officers and non-coms, that figure is raised to 50 percent because experience has shown that a number of reservists will ask to be excused from such exercises for valid reasons or on some sort of pretext. Schumann knows from experience that a good number of reservists do not answer the call these days because they are afraid of losing their civilian jobs. Although personnel strength for this exercise is ideal, those responsible are quite satisfied, if they get an 80 to 90 percent response as they normally do. At any rate, the exercise goals are achieved. The colonel calls particular attention to the positive attitude of the command and regular army personnel who have been improving all along. He adds, however, that the reservists know as little or as much as they were able to learn during the regular army service. The training centers where the first or refresher portion of the exercise takes place, he says, cannot make up for all the deficiencies of course.

"What you are looking at here," Poller says, "is reality because two-thirds of the army after all is composed of reservists." In terms of the entire army, that figure would seem somewhat optimistic because other units with a large reserve component can hardly to match such tight organization of training cycles as is achieved by the Readiness Command and its regiments and battalions. The command conducts battalion level training exercises once every 2 years. The actual programming of the reservists works very smoothly.

In case of mobilization, command personnel would also be augmented by regular army staff which are assigned to headquarters jobs and Bundeswehr school during peacetime. The Readiness Command itself would then be headed by a brigadier general in command of an officer's training school.



The highest command authority is the Schleswig-Holstein territorial command which transmits its orders to Schleswig, e.g.:

- + surveillance of the Baltic sea coasts; containment or interdiction of enemy forces landed by sea;
- + securing of areas and important military objectives, e.g. sections of the North Sea-Baltic Canal (which was done during the recent abovementioned exercise) as well as rail lines, supply routes and communications facilities;
- + containment of enemy forces which have broken through and engagement of enemy airborne units.

Although these units could be used under exceptional circumstances to augment NATO forces, the command's basic function is home defense. The commanding officer defines the function succinctly as that of a "reserve division concerned with operations in the depth of the area." Responsibility for other problems rests with the territorial command in Kiel and the military subregion commands at Flensburg and Rendsburg.

COL Poller is satisfied with the arms the units have. Both small and heavy arms conform to general standards; but he would like to see them get more sophisticated armor.

Originally, the defense ministry had drawn up plans for six readiness commands, one for each military district. By now, there are three—with the other two being equipment units pure and simple, i.e. consisting exclusively of regular army mobilization backup units as well as reservists. They are assigned to the northern territorial command at Moenchengladbach and the corresponding southern command at Mannheim. COL Dietrich Gerlach of the army operations staff feels there are certain problems connected with drawing up plans for such units which is more difficult than in the case of large-scale regular army units in which permanent planning according to established practices is somewhat easier.

That seems logical enough. On the other hand, neither reservists, nor the commanders which primarily deal with reservists should develop an ambition to be better than the regular army. The deputies in professional life, the reserve squads in sports and the second string in the performing arts also satisfy the expectations placed in them, if they simply do not fail as compared to the holders of the first position.

9478  
CSO: 3620/466

MILITARY

FEDERAL REPUBLIC OF GERMANY

## MISSION, FUNCTIONING OF ARMY'S ANTIAIRCRAFT TRAINING CENTER

### Training Programs, Organization Detailed

Bonn WEHRTECHNIK in German Jul 85 pp 24-30

[Article by Lt Col Adolf Nowocien: "Army Antiaircraft School; Bundeswehr Center for Air Defense"]

[Text] The army antiaircraft branch is charged with preserving the army's operational freedom through immediate protection of the troops, their installations, and important points. At the same time this defense supplements the Luftwaffe integrated air defense with its planes and air defense rocket units to the front and at a low level. An important contribution toward meeting the tasks of all the service branches is made by the army antiaircraft school at Rendsburg. It is introduced in the following article by Lt Col Adolf Nowocien, deputy chief of the ATV [Evaluation, Operational Testing, Doctrine] special staff at the antiaircraft school. The article is supplemented by an interview with the school commandant, Col Hans Baron von Falkenhausen.

The enemy's equipment includes the most modern aircraft of the third generation that allow him to conduct all-weather and night combat. His armaments include the use of intelligent ammunition in low flight, as well as stand-off weapons and anti-radar missiles. His electronic equipment allows him to use electronic support and countermeasures in "self-defense jamming."

In order to meet its mission the army antiaircraft branch thus needs:

- Modern equipment as justified by the threat,
- Leaders schooled in leadership principles and procedures, and
- Leaders and crews trained well and realistically for combat.

The army's antiaircraft school makes a considerable contribution to meeting the tasks of the entire branch. This includes:

--Training and advanced training of leaders and future leaders of the entire army's antiaircraft force,

--Supply of reconnaissance/weapons systems for the army antiaircraft branch that have undergone thorough operational evaluation for their "troop suitability,"

--Development of command and mission doctrine corresponding to the changing threat.

These are to be included in regulations and communicated in the courses:

--Development of procedures, methods and means for training and advanced training of leaders and future leaders, as well as of troops that guarantee an effective, time and cost-saving training process.

The commandant of the army antiaircraft schools has the following resources to meet these goals:

- the center staff
- two instructor groups
- ATV special staff
- special subjects instructor group
- training battalion
- one antiaircraft artillery training battery.

The tight organizational structure and the practical equipment allows for mission-oriented, combat-simulating, branch-oriented training and advanced training of officers and reserve officers up to regimental commander in the instructor groups, as well as of noncommissioned officers and reserve NCO's up to platoon leader. In the specific training areas the instructor group is supported in its training task by special subject instructors. Basic training of antiaircraft artillery troops is conducted centrally for the entire army, as is the basic training of antiaircraft radar gunners for all the units of the army antiaircraft branch.

Within a purely Luftwaffe inspectorate, training is conducted on the twin 20-mm antiaircraft guns for Luftwaffe site defense. In the future the school will also conduct training for the Luftwaffe and the navy in the Roland weapon system.

With its antiaircraft defense concept the army antiaircraft branch has taken on the role of pacemaker within the alliance and among friendly nations. Thus it has been tradition for officers and NCO's from NATO and friendly nations to participate frequently in antiaircraft courses. The training mission also includes training assistance in antiaircraft systems for friendly forces. The Bundeswehr's central task of antiaircraft functions requires, in addition to interservice expertise, also intensive contacts with other services for solving organizational, technical, and tactical problems. The manifold training tasks with their highly technical requirements can only be tackled with modern ADP facilities, along with a use of

audio-visual training aids and training simulators. An equally important prerequisite for training success is the presence of trainers in the demanding weapon systems technologies who have a high degree of technical skill in addition to qualification as trainers.

### Center Organization

In the administration of the school and for internal organization and coordination the commandant is assisted by the school staff. It plans, directs and supervises all measures designed to assure smooth internal functioning and cooperation between the instructor groups, the training force, the special subjects, and the ATV special staff. It is also the communication channel outward, such as to the army office and other headquarters.

For the substantive task--conducting courses in antiaircraft weapons and equipment, and training in the field of air defense--the commandant supervises instructor groups A and B which are supported by the special subjects instructor group and the training battalion. The ATV special staff conducts, at the direction of the army office, operational testing of military equipment, develops doctrine and regulations, test regulations and tactical concepts, and evaluates technical and tactical data.

To prepare, coordinate, and evaluate instructional and field gunnery at the ranges of

- Todendorf/Baltic Sea
- Putlos/Baltic Sea
- CEL [Landes Test Center] and CEM [Mediterranean Test Center]/France
- Namfi [NATO Missile Firing Installation]/Crete, and
- Salto di Quirra/Sardinia

the school has a gunnery advisor group. The cadre of the school includes about 350 military and 200 civilian personnel. On the average the school trains more than 3,500 students annually.

In order to achieve the optimal distribution of the more than 40 courses of varying duration and student number among the existing training installations such as gymnasia, training areas, classrooms, simulators, weapon systems, and instructors, the S3 section uses an ADP machine.

Besides its peacetime mission the school also has a mobilization mission. This includes organizing a mixed antiaircraft regiment and a field training regiment.

### School Staff

The school staff is divided into the normal military staff sections from S1 to S4. In addition, there is a Technical Staff Officer, a medical group, troop administration, and the media officer of the commandant, the chief of the branch media center.

## ATV Special Staff

The accumulation of modern technology in antiaircraft weapon systems, anti-aircraft reconnaissance devices, and in the resources for the army's anti-aircraft, intelligence and command systems, cooperation with combat and combat support forces on the battlefield, and appreciation of the effects of integrated air defense instructions on friendly combat operations mandate that the ATV special staff members show a high degree of technical competence in planning, executing, and evaluating operational testing, in evaluating technical tests, and co-evaluating technical manuals. They must also have a comprehensive interbranch and interservice tactical standpoint in developing doctrine and mission regulations, methodological didactics skills and experience in training and teaching as well as a knowledge of modern educational technology for developing concepts and putting training aids and simulators into effect.

In conducting operational testing and in testing new mission concepts in maneuvers the ATV staff is supported by the training battalion. It also supplies personnel to test the effectiveness of new training procedures, aids and devices. In training demonstrations new mission concepts and procedures are tested as to their practicality in troop use, and lesson plans are developed in a way that can be graphically communicated to course participants. This mandates that the responsible action office have a high degree of troop service experience at differing leadership levels and in differing functional areas.

Foreign language skills are an absolute must for ATV staff officers, since they participate in bilateral and trilateral talks on programs in arms cooperation as well as in joint operational tests and technical trials of military materiel with NATO partners and evaluate international technical literature. This must be so since they can thus issue branch requirements in conceptualizing, developing, modifying, and improving military materiel in a timely and relevant manner.

Experiences made in operational tests with the Roland and Gepard weapon systems, the LUeR airspace surveillance radar, and with the large training aids/simulators have resulted in a multitude of modification proposals that have been adopted in the systems and devices as they were readied for series production, or that have been retrofitted into the systems before issue.

Only a small portion has been detached for time or cost reasons from the system development process for independent future development, or has been reserved as a subsequent improvement requirement. Classical examples of such requirements for troop use are the development of the secondary armament and of the crew chief's sighting device for the Roland.

Three liaison officers in the United States, Great Britain, and France serve to further an international exchange of experience. Their reports and oral situation reports are evaluated by the ATV special staff.



In recent years the focus of operational testing of military materiel has been on:

- Gepard and Roland weapon systems to include their training simulators;
- Reconnaissance sensors for the army antiaircraft reconnaissance and command system (HFlaAFueSys);
- Simulators for training with the 20-mm field cannon;
- Improved night vision capability and electronic detection resistance of the weapon systems.

The most recent tests have involved the Stainger and 35-mm antiaircraft ammunition.

Observations of the technical tests and preparation for operational trials of the TUEr low-flying aircraft surveillance radar have begun.

In the near future the ATV special staff must deal intensively with improvements to the armament of the Gepard and Roland weapons systems to adapt their performance to the steadily growing threat.

#### Special Subjects Instructor Group

The special subjects instructor group includes those training officers who are not committed to a particular classroom but instruct in all training courses.

This unit includes instructors in antiaircraft missions, tactics, logistics, and NBC defense, signals, methodology/didactics, and Luftwaffe affairs, as well as an instructor in military justice and two sports instructors.

The special subjects instructor group is directed by a general staff officer whose main tasks concern the area of lesson content and lesson plan development, and the planning of exercises.

#### Instructor Group A

The main task of the school--training, advanced training and continuing training of leaders and future leaders--is carried out by the two instructor groups.

The mission of instructor group A is:

--Training, advanced and continuing training of officers and NCO's as well as future officers and NCO's of army antiaircraft branch.

--Basic training in the basic training groups for "antiaircraft radar cannoneer" for all the units of army antiaircraft branch, as well as for "antiaircraft missileman" for the 610th antiaircraft training battalion.

--Training and introduction of officers and NCO's of the Luftwaffe and navy to the Roland antiaircraft weapon system.

For this purpose instructor group A has four inspectorates and one basic training battery, in turn divided into 14 classrooms and eight training platoons. Besides basic training a total of 33 courses is taught by instructor group A. According to their character the courses can be divided into three groups: Career courses (such as the NCO course part 2, or the reserve officer course), application courses (such as the Gepard fire direction course, or battery commander course for reserve officers) and special courses (for example, advanced training course for commanders and antiaircraft instructors). The courses are allocated to the inspectorates as follows:

#### --1st Inspectorate

Training and advanced training of all officers and officer candidates as well as of reserve officers of army antiaircraft branch in all the weapons systems and at all command levels takes place in the 1st Inspectorate. The career and application courses are directed at levels from squad leader or commander to platoon leader, from battery chief to detachment commander. In addition, officers and NCO's are trained to be Gepard or Roland gunnery instructors, or they are retrained to be antiaircraft missile officers or NCO's.

Officers and NCO's of the Luftwaffe and the navy have received introductory courses in the Roland weapons system for about 1 year.

#### --2nd Inspectorate

Within the 2nd Inspectorate training and advanced training of NCO's and NCO candidates as well as of reserve NCO's of the army antiaircraft branch is conducted for the Roland, as well as in antiaircraft reconnaissance and in field telecommunication. There are also the most varied career and application courses.

#### --3rd Inspectorate

Within the 3rd Inspectorate NCO's and NCO candidates as well as reserve NCO's of the army antiaircraft branch are trained on the Gepard antiaircraft system. In career and application courses the students are trained to be antiaircraft sergeants, Gepard fire directors, group leaders or commanders, and Gepard platoon leaders.

#### --4th Inspectorate

Chiefs and crews of the Roland antiaircraft radar and air observers of the Luftwaffe and the navy will be trained here beginning in 1986.

#### --Basic Training Battery

This unit offers basic training for all units of the army antiaircraft branch in the basic training specialty antiaircraft radar cannoneer. In addition,

antiaircraft missilemen are trained for the 610th antiaircraft training battalion that is assigned to the army's antiaircraft school.

## Training

With the introduction of the Gepard and Roland antiaircraft systems and the resultant dual-track nature of training, two more training groups had to be formed within the instructor group A in addition to the group on antiaircraft reconnaissance and military signals.

Each of these two training groups, FlakPz Gepard and FlaRakPz Roland, which also have to assume an inter-inspectorate training mission, has both training personnel as well as training materiel and combat materiel. This includes large training devices such as air target simulators, training combat areas, and the Gepard training site.

In addition, course participants are trained in the antiaircraft weapon systems and prepared for troop duty by participating in combat exercises at large unit, unit, detachment and sub-detachment level, as well as participating with the Gepard in air target fire and the Todendorf air defense range and in ground target fire at the Putlos training area.

## Instructor Group B

The instructor group B is stationed at the antiaircraft range at Todendorf and has two inspectorates for career, application, and special courses for air defense. Within the air defense artillery training battery of the instructor group all soldiers of the army receive their basic training as air defense artillerymen. In a quarter-annual cycle the battery trains some 200 recruits for artillery, supply and NBC defense units.

While the 4th Inspectorate trains its army students in the FK 20-2 field cannon, the antiaircraft machinegun and rifle with differing supports, and in aircraft recognition, the standard weapon for Luftwaffe students in the 5th Inspectorate is the 20-mm twin gun that is used in site defense. The 5th Inspectorate has for this purpose an ambitious training device, the "antiaircraft cannon training equipment" (AAF) which which 20 gun crews can be both trained in aiming and evaluated in live firing at the same time.

The Putlos extension site of instructor group B provides for the shooting units of the army and the navy the required antiaircraft weapons and ammunition for antiaircraft firing. It also advises the detachments technically and evaluates antiaircraft firing results.

Instructor group B has a special gunnery advisory group for consulting units of the army antiaircraft branch about antiaircraft weapon systems. This supports the detachments in gunnery practice and evaluation. For antiaircraft firing abroad the gunnery consultant also prepares and plans for annual gunnery practice.

## The 610th Antiaircraft Training Battalion

In peacetime the army antiaircraft school has administrative control over the 610th antiaircraft training battalion, also stationed in Rendsburg. It supports the ATV special staff in operational tests and training demonstrations, as well as the instructor groups. Operationally it is assigned to COMLANJUT as a training battalion.

In order to meet the manifold training, testing and combat missions the 610th antiaircraft battalion is the only unit in the army antiaircraft branch that has all three antiaircraft weapon systems:

- Roland antiaircraft armored rocket carrier,
- Gepard armored antiaircraft vehicle,
- The field antiaircraft weapons system Flak 40-mm L/70.

The battalion antiaircraft reconnaissance platoon has the reconnaissance resources of the service branch.

In conflict situation personnel and materiel augmentation increases this detachment to antiaircraft regiment 600 (LD) which then will command the 610th LJ Roland, the 620th LJ Gepard, and the 630th LJ 40-mm L/70 battalions.

The dual task--to be a training unit and a combat unit--places high demands on the training battalion. In testing new operational principles and procedures it must assume the role of pacemaker for the branch. Its participation in training exercises provides example and guidance to future leaders.

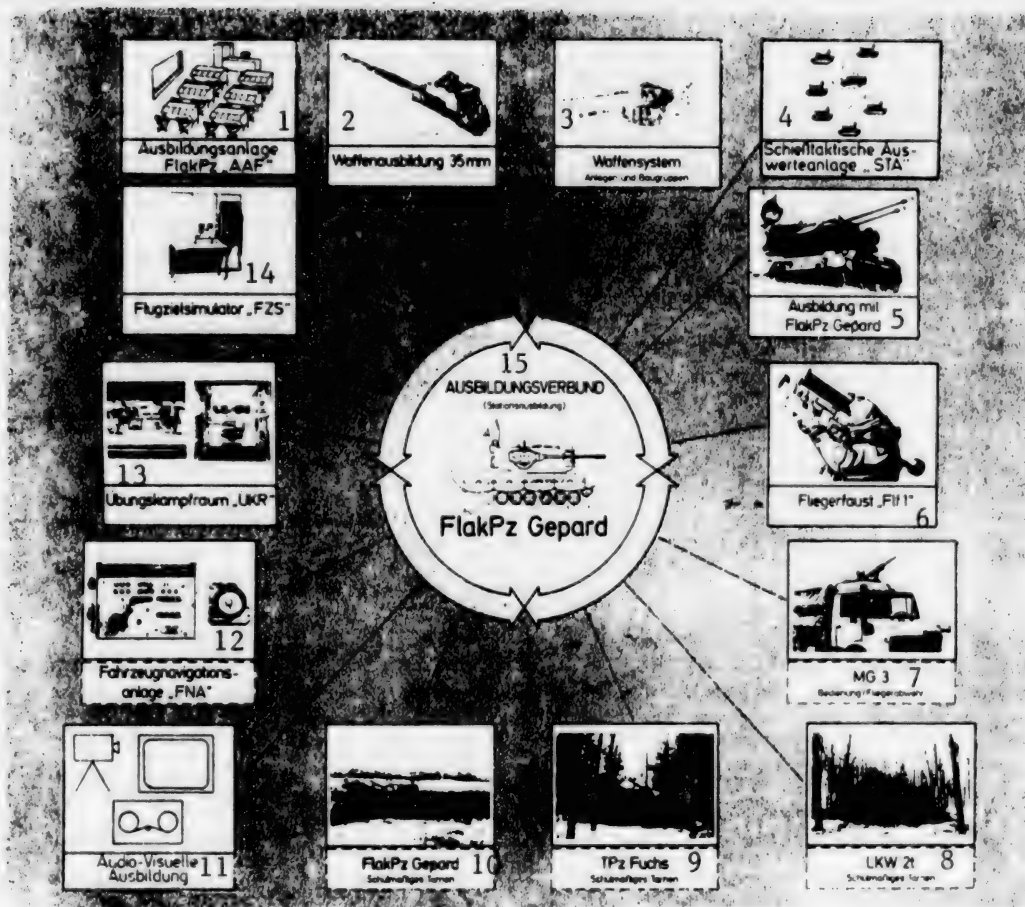
### Training Collection

The army antiaircraft school has a technical exhibition collection that provides an overview of the technical development of weapons and equipment of the antiaircraft forces. In pictorial depictions the development of German antiaircraft weapons from 1870 to 1919, of the weapons and equipment of the German antiaircraft forces in World War II are shown, while models depict the antiaircraft weapons of World War II and of the Bundeswehr up to 1984.

Some exhibits, including the 2-cm Flak (single carriage) and the 8.8-cm Flak are positioned on school grounds.

A museum corner is dedicated to the name-patron of the army antiaircraft school barracks, Col Gen Ruedel. The military memorabilia consist of pictures, documents, decorations, uniforms, and items of personal equipment.

A plaque with the names of the winners of the Knight's Cross in the antiaircraft artillery from 1939 to 1945 and depictions of the garrison insignia of all the antiaircraft artillery regiments are examples of how traditions are honored at the army antiaircraft school.



The training unity of the antiaircraft weapon systems allows for an optimal use of training time and serves to improve efficiency and minimize training time. The core of the practical instrument training is simulator training, amounting to up to 65 percent in some courses. The most extensive simulator equipment has been realized for the Gepard with UeKR [training combat room], FZS [air target simulator], AAF [antiaircraft training device] and STA [gunnery tactical evaluation device].

#### Army Schools

##### Key:

1. Training equipment FlakPZ "AAF"
2. 35-mm weapons training
3. Weapons system--installations and components
4. Gunnery tactical evaluation device
5. Training with FlakPZ Gepard
6. "Fif 1" infrared-guided man-portable antiaircraft missile
7. MG 3--Operation/air defense in the field
8. LKW 2t--Conventional camouflage
9. TPz Fox--Conventional camouflage
10. FlakPZ Gepard--Conventional camouflage
11. Audiovisual training
12. Vehicle navigation system
13. Practice combat zone
14. Air target simulator
15. Training group (station training)



Interview With Center Commander

Bonn WEHRTECHNIK in German Jul 85 pp 33-35

[Interview with Col Hans Baron von Falkenhausen: "Improved Technical Performance Does Not Yet Mean Improved Combat Power"]

[Text] Since 1 October 1984 Colonel Hans Baron von Falkenhausen has been the commander of the army antiaircraft school in Rendsburg. WEHRTECHNIK spoke with him about the tasks and peculiarities of the school. The commander pointed to the great benefit of modern simulators in training and pointed out that expensive technical improvements of weapon systems alone will result in less additional combat power than a cost-saving, optimal servicing concept or increases in availability through improved maintenance.

[Question] For three quarters of a year you have been commander of the army antiaircraft school. What is your first impression and what is especially noticeable in this task?

[Answer] To be appointed commander of an army service school is a particular distinction for a troop officer. The office contains leadership and training tasks of high quality. It demands responsibility and caring for a large number of soldiers, civilian employees, and extensive, valuable materiel. Moreover, in decisions within the branch and for development of tactics and technology the word of a service school commander carries much weight in the army. This seems to me to be the most important factor.

[Question] You have been assigned to this service school previously in a different capacity. What has changed?

[Answer] As I concluded my work as chief of the 1st Inspectorate 7 years ago and was reassigned to be the commander of the first Gepard regiment, there were only a few officers and NCO's at the school who had mastered the new weapon system. There were still many unsolved questions and insecurities. All of us were very concerned whether we would master the demanding technology.

Today I can state in my supervisory capacity that the training personnel has thoroughly mastered the system technology and brings the students to the course goal with a minimum of training time, using audio-visual training devices and methodically skilled use of simulators. By using modern educational technologies we are able, for example, to train the chiefs of the new weapon systems--who in contrast to the replaced antiaircraft systems combine in themselves three of the previous training courses and functional characteristics, that of crew chief, fire direction chief, and antiaircraft radar operator--in one-third of the time previously needed. I also note that the students from the troops represent a new generation of officers and NCO's who handle the weapon systems with expertise and extensive practical skills, and who have a great trust in the performance of their systems.

[Question] The school has manifold tasks, which will you pay particular attention to?

[Answer] In the past, mastering system technology has been in the forefront and in the future, too, passing on solid knowledge in weapons instruments and practical readiness on the systems will be of great importance.

Just as important or perhaps more so is the need to develop leadership qualities and to train in the missions of a leader in combat. This includes the common tasks in the battle.

Analysis of the military conflicts on the Falklands and in the Near East point out that combined arms battle is not at all possible without effective and modern air defense, and that leadership quality and combat quality will be decisive whenever equally modern technology is applied. These factors and the very dispersed use of the antiaircraft systems compared to that of the combat forces and other combat support forces demand physical and psychological steadfastness, decisiveness, independence as well as mental flexibility, especially on the part of the leaders in army antiaircraft troops. These characteristics must be fostered and nurtured. I perceive that to be one of the foci of my task.

[Question] As school commander are you satisfied with the personnel and material resources or would you like to see changes so as to fulfill the training mission even better?

[Answer] The TOE [table of organization and equipment] of the school has been tailored to a normal level of tasks. Additional tasks such as those connected with the introduction of the Gepard antiaircraft armored vehicle, the Roland armored rocket launcher, and the LUeR airspace surveillance radar for the ATV staff and primary training in instructor group A were and in part still are met only with assignment of officers and NCO's from the field army and by borrowing weapon systems from units.

The efforts to tighten and improve training led, for example, to the assignment of a PROSA data processing machine to the school late in 1985. With this, new programs can be created for the Gepard and Roland target simulators and existing programs can be updated. This will enable us to bring greater variety to training and to be able to meet new attack procedures of the air enemy with appropriate training programs. But this also means considerable processing time. The existing school TOE does not yet take this additional task into account.

I expect the new TOE to provide such task-oriented personnel and materiel resources that these tasks can also be met in the future. I perceive an important area in the constant development of the basis and principles of leadership, mission and training and the creation of training procedures and devices that will make training at the antiaircraft school and in the units easier, standardized, and effective.

[Question] You touched on the use of training simulators and of programmed instruction in the courses. What is their importance in the training function?

[Answer] The antiaircraft school participated with the Gepard in the media attempt of the armaments sector of the ministry and has audiovisual training programs for that weapon system that cover about 50 percent of the theoretical instructional material. These programs guarantee good, standardized training even in the case of great instructor overturn. For the organizational model of the school, which does not have fixed assignments of instructors to classrooms, this is especially important. The units also have these training programs and the necessary audiovisual gear.

The army antiaircraft school is also participating on behalf of the army in the current feasibility study of the BMVg [Ministry for Defense] regarding computer-aided instruction with audiovisual machines of the following generation.

For achieving psychomotor training goals the school and units have target simulators and training battle sites for Gepard and Roland. These cover a large part of the practical instrument training.

For the Gepard we developed with the industry an additional "antiaircraft training device" (AAF). This second generation simulator combines the advantages of existing simulators, improves the trainer/student ratio by a factor of 1:6 and provides for a rapid check on the results, independent of the trainer. Moreover, the instructor is largely freed of routine tasks and can concentrate on providing the student with specific training assistance.

Since this instrument can be used without the original equipment it is especially cost-saving, and since it operates without live targets it is also very benign to the environment.

[Question] If you could make a wish list, which requests for the future would it contain?

[Answer] First, I wish that in the future, too, tasks, resources, and allocations are in a balanced relationship to each other and thus guarantee task fulfillment.

Among the great tasks in the immediate future I think of operational trials and cadre training for the introduction of the army antiaircraft, intelligence and command system. I wish that we will be just as successful here as with the introduction of the antiaircraft systems.

Just as important to me are our tasks within the framework of improving the combat value of the Gepard and Roland weapon systems. Here we wish that we will achieve the greatest possible increase in combat power per the allocated financial resources. I am not only thinking of an expensive range, fire speed, and effect on the target. This can result in less tactical combat power increase than a cost-saving, optical crew concept or increases in availability thanks to improved maintenance.

Improvements in the technical achievements of the weapons systems make sense only where they can be tactically used, for example, an increase in the effective range also requires improved identification range. The conclusion is that a technical performance improvement is not yet equal to an increase in combat power.

On our list of tactical requirements thus an improvement in the operability of our systems will rank high along with technical improvements in the ECCM [electronic counter countermeasures] ability of our systems and improvements in reliability and tactical employment.

For the improvement of combat-simulating training I wish that we will have better training opportunities on the training sites in battery configuration. The simulators still lacking for combat operations must be designed and acquired as soon as possible. Here too, effective, cost-reducing and environmentally benign solutions must be found as was the case with the AAF.

This should make it especially possible to further reduce the very costly and environmentally harmful target depiction.

I also wish that soon there will be found an opportunity to perform once again the combat fire training, now lacking, so that the combat readiness of our units can be improved.

[Question] Is there some special advice that you give to your young officers and officer candidates on their way to the units?

[Answer] I advise the young officers and officer candidates to devote themselves to their training and educating mission. I recommend self-awareness, since they belong to a branch of the service that in the last decade has, like no other in the army, reacted to the increased threat and that has made an unusually large step forward in equipment and training.

I attempt to impart to them the awareness that they belong to a branch of the service without which the German army could not fulfill its mission.

9240

CSO: 3620/387

MILITARY

FINLAND

#### ACUTE PERSONNEL SHORTAGE IN PROVINCES FORCING REORGANIZATION

Helsinki HUFVUDSTADSBLADET in Swedish 10 Jul 85 p 4

[Article by Stig Kankkonen datelined Kokkola: "Small Military Districts Threatened by Abolition"]

[Text] Several small military districts are threatened with abolition and the different troop units are being carefully examined. And it will soon be time for reorganization and rationalization decisions within the Defense Ministry. If the decisions do not lead to satisfactory results it is questioned whether the defense forces can fulfill their legally established missions. This is all the result of an acute personnel shortage.

Finland today is divided into 23 military districts. Still at the beginning of last year there were 25, but then the Suolahti Military District was combined with the Jyvaskyla Military District and the two districts in Tammerfors became one. And several more joinings are expected. How many and when it will happen are still unclear. Investigations are going on and the answers should be known before they are finished.

#### Rationalization

"What can now be confirmed is that following the joinings of last year there is still a need to reduce the dividing up of military districts. It is also probable that some districts will be combined, but which districts they are to be is still being investigated," said the acting chief of information in the Defense Ministry, Erkki Paukkunen, to HUFVUDSTADSBLADET.

"It is of course natural that rationalization will lead to small districts being combined with larger districts. In this way a number of personnel can be released for new assignments.

Paukkunen would not, however, comment on the allegation that among others, Karleby and Brahestad Military Districts are rather high on the list of joinings.



"There are similar rumors about many other small military districts. At this stage it is impossible to say even how many districts are involved, not to mention which districts they are," he said.

According to Paukkunen it is possible to discuss rationalization and reorganization because of technical developments. Many of the supervisory tasks which previously required personnel inputs have been computerized. Communications developments have also resulted in reducing the number of personnel.

#### Personnel Shortage

But despite the technical developments Paukkunen says that the fact remains that the shortage of personnel in the defense forces is acute. The Third Parliamentary Defense Committee established the basic shortage at a total of 1,500 persons.

"With such a large personnel shortage it is clear that we must look over the organization and make sure that all trained personnel are really doing jobs which correspond with their training. And that is one of the things to be determined by the investigations," emphasized Paukkunen.

Erkki Paukkunen definitely denied that the interest of the defense forces in a new division of resources had anything to do with a reallocation of forces and a heavier investment in, for example, northern Finland.

"Such thoughts are not at all behind the investigative work going on. What we want to find out is whether there are possibilities for rationalization within the existing framework," he emphasized.

If the rationalization measures which will probably soon be taken prove to be insufficient the Defense Ministry must reconsider. And that is drastic.

"We must always remember all of the legally established missions that the defense forces have. If the measures do not lead to the desired result it becomes a question of how they can be carried out," said acting chief of information Erkki Paukkunen.

9287

CSO: 3650/295

MILITARY

NETHERLANDS

#### HIGHER PAY FOR DRAFTEES PLANNED

Amsterdam DE TELEGRAAF in Dutch 29 Jul 85 p 3

[Article by Arnold Burlage: "More Pay for Draftees"]

[Text] The Hague, Monday--The pay of the more than 45,000 draftees is being raised. State Secretary for Defense Hoekzema will overhaul pay because of the large gap in pay between them and the career military and young people of the same age in civilian life.

He has notified the military interest organizations of that in confidence. He has yielded to the heavy pressure from the Defense Committee in the Second Chamber of Parliament and to the great unhappiness and anger of the military leadership and unions.

After earlier refusals to raise the draftees' pay, the state secretary will now have a careful study of the pay carried out after all. "And that can only lead to a raise," the military unions say.

#### Results

The results of a recent comparative study showed that draftees are 87 percent behind career military and civilian civil servants in pay!

The draftee and career military organizations take the view that draftees should receive the same pay for the same work as their colleagues of the same age.

#### Food

The political leadership in defense has thus far adhered to the principle of "providing for," by which for instance draftees have to pay a hefty sum each month even if they do not make use of the obligatory housing and food.

Over 20,000 draftees over the age of 20 (44 percent) receive pay less than the legally prescribed minimum youth wage, while those 23 and older (13 percent) receive monthly pay less than the legal welfare norm.

Draftees' pay has fallen so far behind since 1975 that they have lost 31 percent in purchasing power. The career military fell 7 percent behind in the same period.

A 23 year old draftee receives pay of 905 guilders, while as a civilian he would be entitled to the minimum youth wage of 1378 guilders and 1030 guilders in welfare.

Not long ago this paper noted that some draftees are applying successfully for welfare to fill their pay out to the legal minimum. But the social services do not all take the same line on this, so that the extra payment is denied in many communities.

12593

CSD: 3614/115

MILITARY

PORTUGAL

ADEQUACY OF COMPENSATION FOR LAJES AGREEMENT QUESTIONED

Lisbon DIARIO DE NOTICIAS in Portuguese 11 Jul 85 p 6

[Editorial: "Lajes in Sao Bento"]

[Text] Whatever might have been the terms of the agreements on the use of the Lajes air base and other facilities in the Azores by the U.S. forces, it was predictable that the Portuguese Communist Party (PCP) would adopt the position of contesting them. After all, it was a matter of fulfilling a political imperative and an ideological ritual inherent in the condition of being "anti-imperialistic," which the Portuguese communists claim to be, considering as "imperialistic" everything that pertains to the United States. The parliamentary debate for ratification of the Portuguese-American agreements on the Azores presented itself as a supreme occasion for the PCP to express that condition of theirs. For that reason, it did not hesitate to propose that the instruments negotiated and signed by the government be declared void and to demand their renegotiation.

The communist deputies allege that the Portuguese state "unconstitutionally ceded basic rights of sovereignty over part of the national territory, endangering the security of the population and the integrity of the territory." They declare also that the aforementioned agreements suffer from flagrant and serious shortcomings which make it necessary to invalidate it in Portuguese technical terms," concluding that the Azores has been transformed into "an advance military zone of a foreign power."

Independent of the reasons of a "technical" nature invoked or the criticism which the methodology followed by the government in the negotiating process may merit, it is certain that the problem of Lajes cannot be viewed outside the historical context in which it belongs. It is necessary to take into account the fact that the use of the base by American and, even before, by British troops represents an inheritance from World War II and to a certain degree was imposed on Salazar by the allies in the final phase of the war as a sort of forced redemption for the suspect neutrality that Lisbon adopted. The American presence in the Azores goes back to that period and Portugal never benefited from compensation worthy of the name, if we exclude the discreet aid to the dictatorship during the colonial wars. After 1962, the year that the last agreement--dated 1957--between the two countries expired, a de facto situation without any controlling regulation prevailed until 1971, when Marcelo Caetano signed an "arrangement" equivalent to renewal of the old agreement, which was to have remained in effect until 1974 but which ended up extending until last year.

The documents signed by the Socialist Party-Social Democratic Party government--the agreement by exchange of notes that established the compensations for Portugal, the technical agreement on the conditions of use of the facilities granted and the labor agreement, which deals with the conditions of employment of Portuguese citizens--are the first to result from actual negotiations between the two countries.

Such historical circumstances cannot be ignored when one judges the work of the Portuguese negotiators; likewise, they obviously do not serve as justification for the weaknesses which the documents may possibly present.

In overall terms, it could be said that the government and the military and other experts involved were guided by two essential areas of concern: to clearly embody in the letter of the agreements Portuguese sovereignty over all of the territory of the Azores, thereby including the areas where the American forces are stationed, for which reason they eliminated or corrected certain ambiguous clauses in the previous agreement; to delimit and regulate in greater detail the scope and the conditions under which the United States is authorized to utilize the facilities granted. That is even reflected in the first articles of the technical agreement, where it is stated that the agreement is concluded "in recognition of the full sovereignty of Portugal" and that the Portuguese Armed Forces are responsible for the "land, sea and air defense of the Azores, including the facilities granted," and that those facilities are intended for conducting operations "in case hostilities break out which give rise to application of the provisions of the North Atlantic Treaty." If it plans to use the installations in the Azores for any other purpose, the United States must always ask for the authorization of the Portuguese Government, which will decide whether to grant it, case by case. In these circumstances, and if we consider that Portugal and the United States are members of NATO, in the context of which this bilateral agreement is concluded, it does not seem appropriate to deduce that the country has ceded part of its sovereignty to Washington.

It is true, however, that a significant expansion of the facilities in the area resulted from the negotiations, among which are, specifically: the possibility of the use of the airports existing on six of the nine Azores islands, under certain conditions and in some cases only for "familiarization" with flight conditions; the installation of a communications system in Pico da Barrosa, in Sao Miguel; and greater Portuguese facilities on Terceira Island itself. In case of emergency, U.S. forces' planes will also be able to use "any Portuguese civilian or military airport."

Are these excessive or "colossal" concessions, as the PCP declares? At first glance and apart from the fact that, according to the negotiators, they resulted "essentially" from military technological evolution, perhaps that is the price of the apparently generous compensations by the Washington administration. And we say "apparently generous" because in the agreement by exchange of notes in which they are established, the White House only commits itself, in the years subsequent to the signing of the documents, to "exert its best efforts" to obtain from congress approval of the financial means for



economic and military aid to Portugal but subject "to the existence of available funds and other legal requirements of the United States." It is true that in relations between allied countries debits and credits in dollars are not the only thing that counts. But does a clause formulated in that way constitute sufficient guarantee of fair and really adequate compensation for the value of the service that Portugal is rendering to its allies?

8711

CSO: 3542/219

MILITARY

PORTUGAL

# BRIEFS

MIDAIR AIRCRAFT COLLISION REPORTED--Two A7P Corsairs of the Portuguese Air Force crashed after colliding in the air at 1355 yesterday as they flew over the town of Jodoigne, Belgium. The two pilots, Major Tito Botelho da Costa and Lieutenant Oliveira Cabral, succeeded in parachuting to safety. The first plane fell near the town of Zeetrud-Lumay and the other, north of the town of D'Alleur, on the outskirts of Liege. According to the Belgian Ministry of Defense, the pilots managed to activate the ejection seats and reach the ground without any problem. The two A7P Corsairs were part of a formation of four planes which yesterday began an exchange of squadrons with the Belgian Air Force. These squadrons regularly practice this type of exercise in the framework of the Atlantic Alliance to improve the interoperationality of the squadrons. It should be pointed out that almost all of the 20 planes of the same type in the Portuguese Air Force were grounded as a result of an accident that occurred in the United States in mid-1983 which forced the manufacturer to order a detailed review of the reactors and wing structures. In Portugal, on 2 February, one of these planes fell into the sea when it was returning from a routine mission, killing the pilot, Lieutenant-Colonel Graca e Melo, deputy commander of the Monte Real Air Base. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 2 Jul 85 p 1] 8711

MILITARY APPOINTMENTS--Vice Adm Jacinto Gomes Rosa and Brigadier Jose Loureiro dos Santos are the new commanders of the armed forces in the Azores and Madeira, respectively. The appoints were already approved by the Superior Defense Council, which is headed by Gen Ramalho Eanes. In the same meeting yesterday, the Council approved the appointment of Rear Adm Jorge Pereira Leito to the post of Azores Naval Commander and of Vice Adm Antonio Ferraz Sacchetti as director of the Superior Naval War Institute. The council approved the promotions to their present ranks of Vice Adms Gomes Rosa, Ferraz Sacchetti and Jorge Rasposo and also approved other promotions in the Navy and Air Force as follows: Capts Antonio Malheiro Garcia, Jose de Sousa Cerejeiro, Fernando Machado da Silva, Jose Ribeiro Pacheco and Pedro Moreira Rato to the rank of rear admiral. Col Aurelio Aleixo Corbal was promoted to brigadier in the Air Force. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 6 Jul 85 p 10] 8908

CSO: 3542/218

MILITARY

TURKEY

# TURKISH-U.S. DIFFERENCES TO BE IRONED OUT ON DEFENSE

Istanbul CUMHURİYET in Turkish 28 Jun 85 p 11

[Text] Ankara has informed the U.S. Administration that the present agreement on joint defence installations (due to expire Dec 85) is renewable, and that the deficiencies of the agreement can be rectified without a major overhaul.

Ankara has yet again clarified its position regarding the Defence and Economic Cooperation Agreement which has become an issue of bargaining between Turkey and U.S. Ankara has made it clear that so long as solid assurances are given for the provision of necessary aid for the modernization of the Turkish army re-negotiation of the defence cooperation agreement may not even be necessary.

Technical studies have been under way for some time with possible changes in mind, and if the anticipated response is not forthcoming from the U.S. side the agreement may well be invalidated in the light of these studies. But before such a step is taken it is understood that Ankara will prefer to wait for a while.

The Ministry of Foreign Affairs has announced yesterday that "the deficiencies as perceived by Turkey can be rectified without having to draw up a wholly new agreement." The Ministry spokesman Yalim Eralp, in answering the press, preferred not to "talk about the kind of formula that might be developed on the subject." He is thus throwing the ball at the Americans' court.

According to information gleaned from official Turkish sources, Turkey is insisting upon having some sort of assurance to prevent the recurrence of congressional difficulties endured every year on the question of aid. In this connection, Turkey is demanding that \$1 billion 200 million be guaranteed in annual military aid, a military debt totalling \$3 billion be cancelled, and that the U.S. administration use more of its influence in dealings with the Congress.

While the Turkish side has been insisting on a formula designed to reduce the effect of the 'Congress factor', (Richard) Perle has been pointing out the impossibility of such a course of action due to constitutional constraints.

This might indicate that a deadlock may have arisen at this stage of the negotiations.

Meanwhile, the Foreign Ministry openly disagreed with Assistant Secretary of Defence Richard Perle's statement that the U.S. administration has done everything in its power over the issue of Turkish aid. The Ministry spokesman said: "The American officials were saying the same thing when the aid was \$225 million." The spokesman added: "It was Mr. Perle himself who openly stated during his congressional testimony that the amount of aid given to Turkey was below the requirements." Commenting upon Perle's remarks that "Turks do not understand what the Congress is all about" the spokesman said: "Maybe they don't understand us either."

Responding to a question about the deficiencies of the defence agreement the spokesman remarked: "The deficiency of the agreement is simply that our requirements are not being met."

According to reports from diplomatic circles, the Turkish view regarding the improvement of the deficient aspects of the agreement has been transmitted to the U.S. Ambassador Robert Strausz-Hupe by Foreign Minister Vahit Halefoglu before the high-level joint defence group meeting during the week.

Following this initiative by Halefoglu Ankara will wait and see what kind of formula will be developed by the Reagan administration with a view to eliminating the imbalances in the agreement. If the U.S. response is found wanting Turkey will then taken one further step in the bargaining process, opening the agreement to negotiation.

12466  
CSO: 3554/138

MILITARY

TURKEY

# ISSUES NEED TO BE RESOLVED BEFORE RENEWAL OF DEFENSE AGREEMENT

Istanbul CUMHURIYET in Turkish 26 Jun 85 pp 1,8

[Text] During the Turkish-U.S. joint defense group meeting yesterday Turkey voiced its misgivings about the implementation of the Defense Cooperation Agreement, due to expire next Dec , transmitting its view to the U.S. side that some changes need to be made in the agreement.

A high-ranking Turkish official, talking about the meeting to CUMHURIYET stated that the abrogation of the agreement was not being contemplated, and added that: "However, regarding the question of aid which seems to pre-occupy Turkey eight months out of every year, we want to see some of the articles changed or some new articles added."

It is not entirely clear what the American side thinks of the agreement's future. However, information from American sources indicates that the U.S. is not disposed favorably towards making changes in the agreement, but would be willing to sit at the negotiating table if the Turkish side is too insistent. Meanwhile, according to reports not officially confirmed, a new bilateral mechanism might be set up to satisfy Turkey's demands concerning the agreement. A bilateral commission is envisioned which would obviate the need to effect major changes in the agreement. The commission would meet at regular intervals to determine the annual levels of aid.

The U.S. Assistant Secretary of Defense Richard Perle, who chaired the meeting, visited the Minister of Defense Zeki Yavuzturk and the Chief of General Staff Necdet Urug yesterday morning. Before his meeting with Yavuzturk, Perle talked about his impressions of Erzurum and Kars where he had spent the weekend, saying: "We went to the border too. It was very interesting." Perle also wanted to meet with Prime Minister Turgut Ozal, but due to Ozal's busy schedule a meeting could not be arranged yesterday. Meanwhile, Defense Minister Yavuzturk saw Ozal last night in connection with the joint defense group meeting.

After Perle's visits yesterday morning, the proceedings of the Turkish-U.S. joint defense group got under way lasting all day. The Turkish delegation was headed by Deputy Chief of General Staff General Necdet Ozturun, and there were representatives from the General Staff and Foreign Ministry.



During the meeting issues of military cooperation between the two countries were reviewed within a broad agenda, and developments in the region were evaluated from a strategic perspective.

During the meeting the Turkish side transmitted its view to the third-ranking official in the Pentagon that the deficient aspects of the Defense and Economic Cooperation Agreement (due to expire next Dec ) should be changed. The Turkish side pointed out that the agreement has been inadequate with regard to aid slated for the modernization of the Turkish army, and also that the benefits anticipated from cooperation in defense industries have not materialized so far.

Furthermore, the Turkish side drew attention to the unease felt over linkages, often drawn in the Congress, between aid and Cyprus or the Armenian allegations of genocide, demanding that the administration put more pressure over the Congress. The Turkish side also brought in the demand that U.S. military aid be increased, and the ratio of grants to the overall military aid be raised.

During the discussions the status of the nine technical implementation agreements (which supplement the confirmation document concerning the modernization of airfields) was reviewed. The U.S. side expressed the wish that these agreements (which have been under negotiation for some time and which are meant to rearrange the technical aspects of airfield modernization programs) be finalised. The Turkish side noted that there still are some outstanding technical issues to be sorted out. It is thought that negotiations over the technical agreements, expected to have been ready for signing by last June, are going to take some more time.

12466  
CSO: 3554/138

MILITARY

TURKEY

# PERLE RESPONDS TO TURKISH QUERIES, MISGIVINGS ON DEFENSE COOPERATION

Istanbul CUMHURIYET in Turkish 27 Jun 85 pp 1,11

[Text] The high-level joint defence group meeting held in Ankara the other day revealed that the Turkish and U.S. governments are in disagreement over whether to make changes in the Defense Cooperation Agreement due to expire next Dec.

The Turkish side made it openly clear to the U.S. side that it expects to see certain changes in the agreement having first drawn attention to the deficiencies in the agreement particularly with regard to the aid issue. The U.S. Assistant Secretary of Defense Richard Perle, on the other hand, stated that the U.S. administration does not see much benefit in making changes, and that it favors the extension of the existing agreement.

Ankara's demand for an increase in the U.S. contribution to the modernization of the Turkish army, and its attempt to establish a linkage between these contributions and the defense cooperation agreement has created an atmosphere of hard bargaining in Turkish-American relations.

According to sources close to the meeting, the Turkish side has not produced a written declaration connected with to the changes sought in the agreement. However, it was made clear to the U.S. side that the agreement will be opened for negotiation in the coming months. It is reported that Turkey will be preparing a draft proposal concerning the changes sought in the agreement, and the text will constitute the basis of the negotiations.

Perle spoke in very unambiguous terms at the press conference held after the meeting. If the Turkish side is persistent in their demands, they would not say 'no' to re-negotiating the agreement, Perle stated.

Noting that the 1980 Defense Cooperation Agreement initiated a productive military cooperation between Turkey and the U.S., Perle thought that changing the agreement just to be able to overcome the difficulties at the Congress would be an "error", saying: "Even if we change the text we cannot do away with the Congress factor."

Pointing out that the agreement provides the necessary flexibility for each side to contribute to the military cooperation, the Pentagon official stressed the importance of the aid coming from indirect channels. Perle noted that the U.S. military aid to Turkey has doubled since 1980, the year when the agreement was signed, and when the indirect aid is taken into account the overall aid has increased threefold.

One of the most interesting statements during the press conference was Perle's remark that the functions of the bases in Greece might be transferred to other countries. It is difficult to tell what kind of decision Papandrea will come up with regarding the future of the bases in Greece, Perle said, adding:

The important thing is not the bases themselves but the function of these bases. It is not necessary to physically transport these bases to other countries. However, you can transfer the functions of these bases to other countries. It may not be necessary to construct new bases either.

Perle did not name the countries to which the functions of the bases might be transferred.

#### The Status of Nuclear Warheads in Turkey

In another important statement during the press conference Perle announced that agreement has been reached with the Turkish side concerning the status of the outmoded 'Honest John' nuclear warheads. The Assistant Secretary declared that the matter had been resolved. However, he did not elaborate on the solution.

Responding to questions the Assistant Secretary announced that Turkey is one of the NATO countries where the nuclear inventory is to be modernized.

In reply to another question Perle stated that efforts to modernize the airfields in Turkey are proceeding. He said:

Funding had been secured from the Congress for the construction of two new airfields - Mus and Batman. Now we are thinking of utilizing the NATO infrastructure funds. We are supportive of Turkey's initiatives in Brussels in this regard.

#### The Modernization of Airfields

Referring to the discussions on the technical implementation agreements which are conducted in the context of the confirmation document concerning the joint use of warfields during wartime, Perle noted their continuance and labeled the discussions as a "routine matter".

Answering a question whether the U.S. wanted to expand the status of the Incirlik base, Perle said: "We have no problems with the existing status. All activities are conducted by means of mutual agreement."

Remarking that the U.S. has given 15 Phantom planes to Turkey in the previous term, Perle commented on the 40 Phantoms slated for purchase from Egypt: "As far as I know these negotiations have been stopped. It is up to the Egyptian government to decide whether to sell these planes to Turkey or not."

Questions directed at Perle during the press conference concerning the future of the bases agreement, and the answers given by the Pentagon official are as follows:

[Question] Has the Turkish side demanded from you the re-negotiation of the Defense Cooperation Agreement?

[Answer] There has been no such demand. It would be better to put it this way: The agreement is a very broadly conceived text. In fact our actual deeds are much more important than this text which merely defines the nature of the cooperation. My view is that the agreement provides both sides with the necessary flexibility to strengthen our military cooperation.

[Question] But the Turkish side has expressed its dissatisfaction with the functioning of certain aspects of the agreement a number of times. What do you say about that?

[Answer] I don't know what these points are.

[Question] Turkish officials are demanding certain guarantees to prevent the Congress cutting the amount of aid proposed by the Administration ...

[Answer] It is not possible for any American government to enter into an arrangement binding the Congress beforehand to a certain course of action, through the signing of a defense cooperation agreement. To overcome the difficulties in the Congress by merely revising the agreement is not possible for us from a constitutional point of view. This kind of thinking is based on a fundamental misunderstanding. The agreement provides us with a framework in which to widen and deepen our cooperation. Neither this agreement nor any other agreement can introduce an arrangement which could change our constitutional system. This is not realistic. Much more important than the wording of the agreement is the desire and goodwill of the American administration to make the best possible contribution to the modernization of the Turkish army. As the administration we will continue to spend all our efforts in this regard. Whichever agreement might be in force, the changing of the wording will not change the fact of our obligation to take our aid proposals to the Congress. Without the Congress' approval we cannot provide aid neither to Turkey nor to any other country.

[Question] Then you prefer to see that the agreement remains in force as it is.

[Answer] In my view, the important thing is to provide Turkey with supplementary support. The present agreement enables us to do this. A new agreement will do so too. However, the main goal should not be that (a new agreement). If we go into negotiation simply to reaffirm an already made commitment it is possible that we might have spent our energies in vain.

[Question] Is it possible to introduce a formula which could meet Turkey's demands without going for a change in the agreement?

[Answer] We are spending all our efforts to meet Turkey's demands in any case. The aid level has doubled. Moreover, when the agreement was signed we could not give grant aid. Now we are doing that. We are also providing loans with low rate of interest. All these improvements have been realized within the framework of this agreement. A new agreement will not dissolve our basic problem with the Congress. Only two other countries (Egypt and Israel) are receiving more aid than Turkey.

Can a Letter Be Given?

[Question] Can you give a letter expressing your commitment in the question of aid, like you have done in the case of Greece?

[Answer] We have given a letter to Greece, but the amounts of aid provided to that country is much below what Turkey receives. Say we have given a letter to Turkey. The uncertainty concerning the Congress will still be there.

[Question] Foreign Minister Vahit Halefoglu is on record saying that the defense agreement does no longer reflect a balance. How do you react to that statement?

[Answer] He did not tell that to me. I don't know exactly what he said. I won't therefore comment on that. I will say this much though. We are continuing to derive benefit from the facility provided by the installations in Turkey - the host country. The installations are the same ones that they were at the signing of the agreement. However, the level of aid we have provided during this period has doubled. It is erroneous to think that the quality of the cooperation will change by a piece of paper. It is possible to talk about misunderstandings on both sides. The Turks do not understand the Congress, and the Congress doesn't understand the Turks ...

Perle described the Congress' rejection of the proposal concerning the Armenian allegations of genocide as a very important development, saying: "This matter has not been brought to the meeting. However, I was disappointed to see some Turks, whom I talked to, react adversely to the 'yes' votes in the Congress. It is natural that some congressional members would cast 'yes' votes. They have Armenian constituents."

12466  
CSO: 3554/139



MILITARY

TURKEY

# EVREN ATTENDS GROUNDBREAKING CEREMONY FOR F-16 ENGINE PLANT

Istanbul CUMHURIYET in Turkish 26 Jun 85 pp 1,8

[Text] The foundation stone of the TUSAS F-16 jet engine plant was laid by President Kenan Evren yesterday. Noting that there would always be those who would be against Turkey producing its own weaponry, Evren remarked: "Those who oppose and the ones who hesitate suffer from inferiority complexes."

President Evren flew from Ankara to Eskisehir with a military plane yesterday morning. He was met with due ceremony at the airport by Prime Minister Turgut Ozal (who had arrived from Kutahya the night before), Ministers Cemal Buyukbas, Sudi Turel, Mustafa Kalemli, Governor of Eskisehir Hanefi Demirkol, Mayor Sezai Aksoy and the Commander of 1st Tactical Air Force Lt.-General Safer Necioglu.

Before the groundbreaking ceremony President Evren paid a visit to the Governor's office receiving information from Governor Demirkol about the province's problems. He later went to the balcony and standing with Prime Minister Ozal and other ministers beside him, briefly addressed the crowd. Reminding his audience that the construction of an aircraft plant got under way in Ankara eight months ago, Evren noted that the founding of an aircraft engine factory in Eskisehir would be highly beneficial, bearing in mind that the words aircraft and aviation are virtually synonymous with Eskisehir. Evren said the following:

There may be those who oppose Turkey producing its own weaponry. These people suffer from inferiority complexes. The ones who oppose and those who hesitate are in the grip of an inferiority complex. Our workers abroad are working and producing at aircraft plants. Why shouldn't we produce ourselves? Is Turkey less intelligent, or less industrious a nation than others? The Turkish people are intelligent and industrious, and if they so desire they can overcome all difficulties.

This soil belongs to us with its land, airspace and the seas. If we wish to maintain our possessions we will have to protect our airspace, land mass, and the seas. But protection cannot be effectively done through dependence on outside sources. We will produce ourselves. Turkey has now reached that stage.

In the afternoon Evren attended the groundbreaking ceremony of the plant designed to produce jet engines for the F-16 fighter aircraft, and laid the foundation stone (the plant site is near the Muttalip village and the construction is undertaken by the Dogus company). In his speech during the ceremony, Evren noted that the target set by Ataturk 48 years ago shall thereby be attained.

Noting that there are those who oppose Turkey's establishing an armaments industry, Evren said the following:

I divide the opposers into three groups. The first group are those who oppose out of genuinely good intentions. For these the money to be spent for the armaments industry should be shifted to other goals, and the armaments industry should be established only after these goals are attained. This is an idea and they believe in that. I do not have much to say to them, because this is a matter for debate. The second group are those who do not wish to see us get strong. They are the ones who do not want to see us develop armaments or aircraft industries. They want us to remain dependent upon other countries. These are also involved with ideologies. They are the ones who are truly dangerous. As to the third group, they claim that Turkey cannot succeed in this industry, that our technological capacity would prove inadequate. They suffer from inferiority complexes.

Asserting that Turkey will be successful in establishing aircraft industry, President Evren said: "The whole world will witness this. When our planes will be flying in our skies in the near future our breasts will swell with pride."

In his speech Prime Minister Ozal reiterated the point that Turkey has attained the necessary stature to embark upon giant projects, and that the level of contemporary civilization indicated by Ataturk has been reached.

Following the speeches four Air Force Phantom jets flew in formation. After the groundbreaking ceremony a miniature model of the plant was reviewed, and a furniture factory (which is jointly owned by the Anatolia University and some companies) was visited. Evren, Ozal, the Chief of General Staff Necdet Urug and the commanders of the forces later returned to Ankara.

12466  
CSO: 3554/138

MILITARY

TURKEY

'HONEST JOHN' TO BE REPLACED BY NUCLEAR-CAPABLE HOWITZER

Istanbul CUMHURIYET in Turkish 28 Jun 85 pp 1,11

[Text] Agreement was reached between Turkey and U.S. to dismantle the outdated Honest John nuclear-warhead launch systems, and replace them with the modern, nuclear-capable 203 mm Howitzer cannons.

The status of the short-range Honest John missile launchers (put into service during the 1960s but taken out by NATO countries due to a shortage of spare parts) has been part of an ongoing discussion for some time between Turkish and American officials.

Following a high-level meeting of the Turkish-U.S. Joint Defence Group in Ankara during the week, the U.S. Assistant Secretary of Defence Richard Perle declared that agreement had been reached concerning the status of the Honest Johns, leaving the Turkish side to make the announcement.

A high-ranking official privy to the discussions said that there were "no new arrangements other than those which will maintain Turkey's existing NATO responsibilities at similar levels." The official implied that the replacement of the Honest Johns with nuclear-capable Howitzer cannons will not necessarily mean a change in the nature of the overall defence arrangements that encompass Turkey's short-range nuclear systems.

Having a range of only 35 km, the Honest John missiles have been publicized by the military as a totally defence-oriented system. The nuclear-capable Howitzer cannons which can be mounted on armored vehicles have a range of up to 30 kilometres depending on their type.

No information was available regarding the numbers and the types of nuclear-capable Howitzer cannons that the U.S. will give to Turkey, and the conditions to be attached are not made public.

Conventional Howitzers are found in many of the NATO countries. However, according to the 1984 edition of Nuclear Almanac (considered to be the foremost source of reference on nuclear weapons) there is only one country that possesses Howitzers capable of firing nuclear warheads, and that is the United States. The U.S. has developed various models of Howitzers which function like tank turrets.

A distinguishing feature of the Howitzer cannon is that it is capable of firing at an angle of 60 degrees. It also has a firing angle functioning like a mortar cannon which makes the Howitzer a particularly suitable weapon for the defence of mountainous terrain. Cannons mounted on top of armored vehicles can be extremely mobile, and can travel with speeds of up to 60 km per hour. They can travel distances of 725 km in one stretch.

Until now major part of Turkey's nuclear arms inventory consisted of Honest John missiles. It is reported that there are about 30 Honest John launchers capable of firing three warheads each which are now to be dismantled. It is estimated that about 90 warheads are presently contained in Honest John missiles at various joint defence installations in Turkey which operate with the double-key system.

12466

CSO: 3554/138

ECONOMIC

BELGIUM

# EMPLOYERS CONCERNED ABOUT ECONOMY'S COMPETITIVENESS

Brussels LE SOIR in French 5 Jul 85 pp 1, 2

[Article by Beatrice Delvaux: "Employers' Cry of Alarm to the Government: Our Competitiveness Must Be Saved"]

[Text] The Federation of Belgian Enterprises (FEB) is maintaining its pressure on the government for more freedom in making up wages. A few weeks ago, Andre Leysen, owner of Agfa-Gevaert, announced an increase in the wages of the workers in his enterprise through profit sharing. Today, the entire employers' federation, under the signature of the same Andre Leysen, its president, and Raymond Pullinckx, its managing director, is sending a personal letter to the prime minister calling for government intervention to restore Belgian enterprises' competitiveness, which it affirms has markedly deteriorated.

Indeed, according to the FEB, if we take into account the EEC and OECD data, "the only ones making international comparison possible," Belgium is experiencing in 1985, in relation to the 1982-1984 period and to its 7 main trading partners, a severe erosion of its competitiveness. The Federation of Enterprises, in fact, by this letter, wants to dispute the validity of the calculations of competitiveness made for the government by the Central Economic Council, as part of this council's biannual report on Belgium's foreign trade and competitiveness position.

This dispute is not new. It should be known, in fact, that since a 1983 law, extended for 1985-1986, calculation of the competitiveness of Belgian enterprises is made by way of a norm that takes into account not only the evolution of wage costs, but also expected improvements in flexibility in the organization of work. Which, in plain language, means that according to this norm, we must not take into account increases in wage costs following from the collective agreements for 1985 and 1986, since they will be offset by more flexibility (adjustment of work time, pre-pension, etc.).

But, as it did at the time this norm was established, the FEB today is again disputing this method of calculation, which, for it, "has no sense," work flexibility existing in all countries without being taken into account in their statistics.



On the part of the Central Economic Council, the report submitted to the government limited itself, in fact, to saying that the competitiveness calculation was made according to the strict dictates of the law, without judgments or interpretation being given. In it, mention is simply made of the fact that the FEB, which does not recognize the validity of this norm, did not participate in the work.

Do the owners have an idea at the back of their heads? On the part of the FEB, the answer is in the negative and they say they simply want to draw the government's attention to this negative development and show it that there is a problem. But the employers recall, however, that the law provides that in case the norm is exceeded, a new operation Maribel should take place, bringing about a reduction in employers' costs. And when they are asked if they have more specific proposals to formulate, they say they are in favor of an extension of wage scales, a minimum wage for young people in their first jobs and a linking of wages to the achievements of enterprises. In the Leysen manner? Not necessarily, they reply, but the idea is very much the same.

From the prime minister's office, there is silence. It would even seem that the Feb letter arrived there before the Central Economic Council report. We will have to wait until the reading of the file is finished before obtaining an official reply. We can, however, estimate, without much risk of error, that reference will again be made to the 1984 OECD study, Martens' "bible."

9434

CSO: 3619/82

ECONOMIC

BELGIUM

## HUGE SUBSIDIES SPENT ON NATIONAL SECTOR INDUSTRIES

Brussels KNACK in Dutch 10 Jul 85 pp 19-22

[Report by Karel Cambien: "How Much Do the National Sectors Cost the Community and Who Will Pay? Almost 1000 Billion"]

[Text] Four hundred and fifty billion francs is a lot of money. That sum, rounded off, is what the Belgian Government transferred between 1979 and 1984 to the so-called national sectors--steel, shipbuilding, coal, glass and textiles. No one will doubt that the industries in these sectors were having very serious problems.

In that lending of assistance, however, there was evidence of a certain regional distortion since 1982. The figures speak for themselves. At the end of 1982 Flanders was still getting 53.3 percent of the national pot and Wallonia 46.7 percent. In barely 2 years time those ratios were turned around: 52.1 percent of the financial aid promised from 1982 to 1984 went to Wallonia, 47.7 percent to Flanders. That is just the type of subject to question Minister of Economic Affairs Mark Eyskens (CVP [Flemish Social Christian Party]) on, and that was done in the middle of last week before an almost empty Second Chamber.

What Mark Eyskens had to endure there almost looked like an organized offensive. No less than four politicians, representing four different political families, felt themselves called upon to mount the speaker's platform. They were, consecutively, Jos Dupre (CVP), Willy Claes (SP [Socialist Party]), Hugo Schiltz (VU [People's Union]) and Andre Deneys (PVV [Party of Liberty and Progress]). Only the latter was willing to praise the work done by this government. The others, especially Hugo Schiltz, seriously questioned the manner in which the money is distributed. Mark Eyskens attentively listened to all the accusations during that time, repeatedly reaching for his pen, and then put the necessary dots on the i's, without however going into the details too much. Eyskens stated that this dossier had become too technical, and his predecessor in Economic Affairs, Willy Claes, was the first to agree with him. Claes certainly is the one who should know; he launched the first steel plan and the textile plan, amongst others.

The question which apparently concerns everyone (and thus not only the VU), is whether Flanders is not at a disadvantage when it comes to distributing

national resources. The figures of the last years indeed seem to indicate that. For Willy Claes, who said he wanted to ask questions without passion or rancor, it is clear: Deputy Prime Minister Jean Gol (PRL [Liberal Reform Party]) and no one else has been deciding for some time now what is possible and allowable. Hugo Schiltz said that the solidarity principle essentially has an adulterating effect since it works entirely to the advantage of Wallonia. Therefore, under these circumstances more and more voices are heard in favor of simply transferring the authority over the national sectors to the regions in the future. In the opinion of Jos Dupre, amongst others, that would lead to a clearer, simpler and more justified policy.

#### Border

Between 1979 and 1984 the five national sectors, as mentioned, had been slipped 450 billion francs. The now updated Matthijs report states that during that period there was no distortion to speak of which was disadvantageous to Flanders. Flanders received 222 and Wallonia 226 billion, which amounts to a distribution of, respectively, 49.5 and 50.5 percent of the available money. During 1983 and 1984 on the other hand, more than 53 percent suddenly went to Wallonia and less than 47 percent to Flanders. There are also other elements to make one think. With respect to carrying out the earlier commitments, it appears that at the end of 1984 Flanders was 7.5 percent behind Wallonia. And there is more. Jos Dupre calculated that there is a wide discrepancy in the sectoral aid per employee.

For example, it amounts to 0.3 million francs per employee in the textile sector, 3.8 million in the coal and shipbuilding sectors, and no less than 6.1 million per employee in the steel sector. Of course everyone knows that Flanders too has a few steel companies, but it is just as well known that Cockerill-Sambre has received the lion's share of the subsidy supply for many years. Dupre puts it even stronger when he calculates that the level of aid for a Flemish employee amounts to an average of 1.5 million francs as against 3.5 million francs for a Walloon employee. If one also looks back in time a little at the level of employment, then it once again turns out that Flanders lost more jobs between 1974 and 1982 than Wallonia: 60 percent of the loss took place here [in Flanders] and 40 percent on the other side of the language border.

It is not easy to think up counter arguments for such a clearly demonstrable trend. Mark Eyskens especially pointed out in the Chamber that one should not compare apples and pears. He got very angry about that, and of course not unjustly so. According to Eyskens it is not at all correct to compare the needs of the steel industry with those of, for example, the textile industry. For example, the highest wages per worker are paid in the steel sector, which is already much more capital-intensive, while the textile branch is used to lower wages. The minister of economic affairs also points out that only the last few years are being discussed, as if no money flowed to the sectors before that time.

If one dares look back in time even further, says Eyskens, then one will find that the Flemish region, particularly via the Kempen coal mines, received more money than the Walloon region. Eyskens also points out that the Martens V

Government only took for its account 12 percent of the 450 billion spent during the past years. The largest part of the commitments had been made by previous governments.

The entire discussion over the financing of the national sectors was no longer necessary, at least on paper. On 26 July 1983 (law of 5 March 1984), the Martens V Government achieved an accord considered historical. From then on, the new financing needs of the national sectors would no longer be charged to the national budget, but would be "regionally attributable." Flanders and Wallonia themselves would take care of their needs from then on, and the central government would put the yield of the succession rights at the disposal of the separate regions. With that, the Cockerill-Sambre dossier and the question of a Flemish flow of money to the south of the country seemed to be over with once and for all. But nothing could be less true, and many of the problems are due to the vagueness with which these dossiers are dealt with. The complaint about vagueness ran like a red thread through all the questions, whether they came from Dupre, Schiltz or Claes.

For example, less than 1 month ago the Martens V Government in one stroke of the pen swept 150 billion francs in outstanding debts (in government jargon called VCDO's [Conditionally Convertible Obligations]) under the table. In the case of Cockerill-Sambre, it was a matter of 86 billion francs, normally claimable by the national treasury. Now those 86 billion in state debts have been converted to profit certificates. If Cockerill-Sambre should ever have any profit (and who believes that to be possible?), then it must give up part of it to the state treasury. Willy Claes calls that an extremely curious structure. In government circles it is claimed that no new resources were made available, but Claes answers to that: no matter what, it still is a waiving of an old debt claim, and thus another present from the government to Wallonia. Also the Kempen coal mines are allowed to drop almost 47 billion in loans entered into previously.

While awaiting the outcome, one can once again reflect on a possibly even more important question than the regional one as such. That question is just how large the budgetary repercussion might be of all the commitments made in the framework of the national sectors. In the first Matthijs report, the budgetary repercussion, spread out to the year 2005, was estimated at about 600 billion francs. Thus double that of the effectively concluded commitment of 300 billion. The interest burden by itself already takes care of the doubling. The actual amount spent meanwhile has increased from 300 to 450 billion, and thus the budgetary repercussion now is somewhere around 900 billion. Dupre, Schiltz and Claes all called that a terrifying legacy for all our heirs.

8700

CSO: 3614/113

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

#### CONTINUED GROWTH IN MECHANICAL ENGINEERING PROJECTED

Duesseldorf HANDELSBLATT in German 14 Jun 85 p 21

[Article by Karlheinz Voss: "Chances Good for a Longer Growth Phase"]

[Text] It has been a long time since the chances of German mechanical engineering to maintain a course of growth in the long term as well have been as good as they are at present. Dr Justus Fuerstenau, principal manager of the Association of German Machine and Plant Building (VDMA), believes that a phase of structural growth beyond the business cycle is quite likely.

"Domestically as well, the breakthrough is now coming and we will be the motor of the business upturn," Fuerstenau told HANDELSBLATT. Up until March, the mechanical engineers were basically disappointed with domestic demand, and incoming orders picked up only sluggishly. Since April, however, business has been substantially more lively. As a whole, the increase of 14 percent in orders in real terms has not quite reached the expectations resulting from the investment plans in the manufacturing industry.

The VDMA is assuming that many investors, confident of short delivery times, have obviously taken their time about ordering. This, however, may not be reasonable in all areas, for in the meantime foreign customers have been increasingly tying up mechanical engineering capacities. Meanwhile, the latest Ifo survey confirms what other indicators had already shown, namely, that the manufacturing industry wants to increase its investments. Instead of 10 percent, as was planned in the fall, capital expenditures are now to increase by 14 percent.

For the coming months, this promises a clearer increase in domestic machine demand than was registered in past months. The main ones to profit from this would be the manufacturers that supply the capital-goods, basic, and consumer-goods industries.

For a long time now, foreign business has been going full speed. So far, there has been no slowdown after incoming orders increased by 27 percent in real terms from January through April. However, one should certainly not expect a linear continuation of the "vehement" upturn of the last half year.



But there is much to indicate that the high level that has already been achieved can also be maintained in the coming months.

Naturally, mechanical engineering is also profiting from the undervaluation of the D-Mark. But just as important for the robust trend in foreign demand is the fact that the diminishing impetus from the ending investment boom in the United States would now increasingly be compensated for by a rapid investment upswing in Western Europe. About two-thirds of German machine exports go to Western industrial countries. But business has also rallied in the threshold countries, in which debt problems remain unresolved. Here they have obviously been successful in at least establishing some latitude for the capital-goods imports that are vital for further development. The bottom has obviously been reached in business with OPEC as well. In East-European trade, opportunities have likewise improved.

In the last 6 months, new orders received were still about 12 percent above actual sales. This signals the direction in which output may move in the coming months. Thus for 1985, Fuerstenau is counting on a real increase in output of about 7 percent. Sales, which increased by 7.3 percent in 1984 to DM142.5 billion, could well increase by at least 10 percent. And it appears quite realistic that the increase in output will be greater than what was named, for output has already increased by 8 percent in the first 4 months.

With this increase in output, there was naturally an improvement in employment. Thus there was an increase in the total number of employees to 1,009,000 in March compared with 996,000 in the same month of the previous year. The number of workers here increased from 611,000 to 621,000. The number of short-time workers declined from 75,000 to 19,000 and amounted to only 12,000 in May. Fuerstenau is counting on about 30,000 new jobs being filled this year. Beyond that, he sees more of a "delayed trend" for the effects on the labor market. In 1985, labor productivity in mechanical engineering will doubtless rise faster than the trend of a good 3 percent over many years. From January through March alone, output per hour of work performed increased by about 6 percent relative to the previous year. In individual regions, it is again difficult to find the skilled manpower needed.

With 87 percent in March, the technical capacities of mechanical engineering were again "utilized in an optimum manner" for the first time since the summer of 1980. Behind this statement about the average, however, there is a dispersion that ranges from considerable undercapacity for agricultural machinery and farm tractors, construction and building-materials machines, fittings, and prime movers to some bottlenecks that are showing up for textile, rubber and synthetics machines, printing and paper machines, and machine tools. In machine building as a whole, 11 percent of the firms are already characterizing their technical capacity as no longer adequate, which, along with the forced transition to more flexible production systems, may have been a main impetus for the further expansion in investment plans in machine building as well. Thus, even in 1985, machine producers want to increase their investments by just under one-fifth relative to the previous year.

In the current year, machine exports (DM80.1 billion in 1984 following DM73.6 billion) are headed for a new record. To be sure, the same thing holds true

on the other side for the proportion of imports, which meanwhile exceeds 40 percent. The main beneficiary of this expansion is again Japan, which has 10.5 percent of the market. However, the widespread fear of the Japanese that once prevailed in the German mechanical engineering industry has largely diminished. Fuerstenau: "The Japanese have made a substantial contribution to mechanical engineering taking stock of itself." The only thing that is irritating is the fact that the Japanese have not done enough to open their market for other industrial countries. And, according to Fuerstenau, basically the latest program to open the market cannot be taken seriously either.

The hope for a lengthy upswing is based upon the fact that, for one thing, there is still pent-up demand and, secondly, new techniques are bringing a "quality thrust" that is reducing costs substantially. The new generation of machines established in recent years with the aid of microelectronics is opening up for users process innovations that are all the more attractive where the production apparatus was totally "antiquated" after the investment stagnation of recent years. The increased productivity once again made it possible to manufacture products in industrial countries that previously could only be provided in low-wage countries.

Despite all of today's successes, one should not overlook the fact that the extremely high--in an international comparison--taxation of enterprises is resulting in competitive disadvantages. It is especially important that there be some relief for reinvested profits. Fuerstenau is calling for the implementation of the Federal Government's tax-policy plans all at once.

9746

CSO: 3620/439

ECONOMIC

GREECE

# BRIEFS

SKARAMANGAS SHIPYARDS NATIONALIZATION--The Skaramangas Shipyards are finally being nationalized following the socialization of the Elefsis Shipyards, the huge deficits of which are paid by the social total. It was made known last night that Hellenic Industrial Development Bank /ETVA/ president Sofoulis and a representative of the Greek Shipyards, Inc. stockholders announced that an agreement was reached for the purchase of all the company's shares by ETVA. The agreement, which must be approved by ETVA's board of directors, will be signed at the latest by 31 July. /Text/ /Athens I KATHIMERINI in Greek 17 Jul 85 p 1/ 7520

SATISFACTORY OUTLOOK FOR EXPORTS--Exports during the July-September 1985 quarter are expected to be satisfactory compared to those of the previous quarter which, from an expert's point of view, is considered "good". This prediction was made by import firms after a 3-month study by the Panhellenic Exporters' Association on export developments. They also predicted that, with regard to the volume and value of the exports, no improvement in the price of the exported goods is expected during the current quarter. Specifically, they assert that the exports to many countries will drop and especially those to the Eastern countries and to the rest of Europe, while exports to countries of the Middle East, North Africa, the USA and Canada and EEC will remain, at best, standard. On the contrary, it is anticipated that exports to countries in the rest of the world will increase. Such an increase, however, is not expected to affect the whole export activity since only a small part of Greek products are exported to these countries. It is noted that the enterprises which participate in the aforementioned study represented 27.5 percent of the total Greek exports in 1984. /Text/ /Athens TO VIMA in Greek 16 Jul 85 p 15/ 7520

CS0: 3521/309

ECONOMIC

NETHERLANDS

#### NEGOTIATIONS ON 1986 BUDGET, SIZE OF DEFICIT

Rotterdam NRC HANDELSBLAD in Dutch 13 Jul 85 p 3

[Report by Mark Kranenburg: "Framework Exists for Battle over Purchasing Power; Elections are Approaching, thus Result Must Be at Least Equal to 1985"]

[Text] The Hague, 13 July--A cheerful Prime Minister Lubbers talked to the press last night. The first round of the budget discussions for 1986 had been completed without many problems and now vacation could start, also for a great number of the ministers. The "expenditures section" of the budget has been largely settled. That was actually the case already at the beginning of April of this year. At that time the cabinet reached agreement on economies in 1986 totalling 88.2 billion guilders, which is 1.2 billion more than had been agreed in the government accord of the CDA [Christian Democratic Appeal] and VVD [People's Party for Freedom and Democracy]. Even after the discussions of the past 2 weeks, these 8.2 billion guilders are still intact.

By far the most interesting part of the budget negotiations will start in the middle of next month when the income aspect comes up for discussion. Especially with a view to the 1986 election year, it is not surprising that the priorities will be placed a little differently than in previous years. Last year around this time the VVD governmental leaders stated informally that the purchasing power figures for 1985 which came from the computers of the Central Planning Bureau were far too optimistic and also were really one year early. And indeed, for the majority of Netherlanders the matter with respect to disposable income will have a positive outcome this year --certainly after the CAO [Collective Labor Agreement] negotiations.

A cabinet which wants to stay on not only until the elections, but longer, therefore almost can do no less than at least match this year's result in 1986. Under the current circumstances that means: a little more for civilians and a little less for the financing deficit. The definitive battle over purchasing power still has to be waged, but the framework already exists. Prime Minister Lubbers was very open about that last night during his press conference after the meeting of the ministers' council. The demand with respect to the government deficit is no longer the 7.4 percent of the national income reported in the government accord and buzzing in the head of every politician.

## Warning

The cabinet will accept a figure "below eight and starting with seven," as Lubbers expressed it in his very own manner. In other words, a financing deficit of 7.9 percent is already acceptable. With respect to the 8 percent estimated for this year, this means a decrease of 0.1 percent. That objective contrasts rather poorly with Minister Ruding's (finances) pleas of only 3 weeks ago, for example, during the discussion of the Spring Memorandum in the Second Chamber. In his reaction to the tax plan of the VVD, Ruding said at that time that although he was in favor of a tax decrease, it should not be at the expense of reducing the deficit. Lubbers' words indicate a different direction. The deficit will certainly be reduced, but purchasing power also has a high priority.

Furthermore a small deficit reduction will require a great effort. The Central Economic Commission, composed of top officials from some departments, the director of the Central Planning Bureau and the president of the Dutch Bank already warned the cabinet in the spring that in spite of a package of 8.2 billion guilders in cuts, the deficit will not decrease, but will even increase slightly. In a later memorandum for the cabinet, submitted last month, the picture was somewhat more optimistic due to a few little windfalls, but there was still a trend toward an increase of a few tenths of 1 percent.

The main reason for this is that the cuts in social security benefit the treasury, and thus the financing deficit, only for a very small part. The social funds are the ones to benefit much more by that, which again leads to a decrease of the premiums. A few years ago, when the cabinet came to the financial aid of the funds with large amounts, the advantage of cuts in social security could be channeled to the treasury by considerably decreasing those government contributions. Now that those barely exist any longer, nothing much can be "earned" by the ministers of finance through cut-backs in the benefits sector. In the The Hague jargon this is called the "back-channeling issue."

Another problem is due to the increasing interest rates. This year, too, almost 30 billion guilders had to be borrowed to round out the budget. The category of interest on the budget therefore also increases steadily with about 3 billion per year. Finally there are the natural gas profits which this year indeed have provided a good windfall, but in the long run will occupy a continually less important place in the budget.

In spite of these "dark clouds," however, it should still be possible to maintain the downward trend of the financing deficit. Actually, the cabinet has plenty of time for that, for it was not agreed that the deficit should decrease further next year as compared to this year, but only that the deficit must be under 8 percent. In other words: just one more good windfall this year and the cabinet will already have achieved its objective. Last year's course of events proves that also in the second half of the year there might be some lucky breaks. In the Spring Memorandum of 1984 a deficit of 10.7 percent was estimated, but the actual deficit ultimately turned out to be 1.3 percent lower, thus 9.4 percent.



## Middle Groups

Everything indicates that there will be something to share for the cabinet during the second negotiation round in August. The big controversy will then be whether purchasing power will be retained or whether it might even be improved. The VVD parliamentary group has already made that choice, as it turned out during the debates on the Spring Memorandum. According to the liberals it must be possible to give the "middle groups" something extra. But coalition partner CDA for the time being is not too interested in favoring this group, so dear to the VVD. The same old discussion thus, with the difference, however, that it is no longer a matter of sharing the burdens, but the pleasures.

8700

CSO: 3614/110

ECONOMIC

PORTUGAL

#### ACCESS TO EFTA FUND TO CONTINUE AFTER EEC ENTRANCE

Lisbon O JORNAL in Portuguese 28 Jun-4 Jul 85 p 20

[Text] Portugal will have to continue to have access to the EFTA Fund for Development after joining the EEC on 1 January 1986, according to the chairman of the European Integration Commission, Antonio Marta, during a lecture promoted in Lisbon by the Portuguese-Swedish Chamber of Commerce.

Antonio Marta added that the EFTA and the Commission of the EEC is currently studying a way of getting around the statutory provisions of the Fund which grant a certain type of preference to the countries of the EFTA as suppliers of capital goods whose procurement results from loans granted by the Fund--something which would not be accepted by the EEC.

Intervening in the debate--which was intended to bring out the consequences of Portugal's joining the EEC as regards trade between Portugal and Sweden--the ambassador of Sweden, Sven Hedin noted that his country does not assign much importance to the maintenance of that clause, although EFTA countries hold a different position.

Antonio Marta described the experience of work with the EFTA Fund as being "very positive" and underscored the role played in this context by the National Development Bank.

During the lecture it was emphasized that Portugal's joining the EEC should not bring any major problems regarding relations with the country's current partners in the EFTA since there is already an area of free trade between the EFTA and the EEC, covering about 310 million persons (a figure which will go up to more than 340 million persons with Spain's entry into the EEC).

Sweden however would like protection with relation to Portuguese textiles that are identical to those of the EEC countries.

The reintroduction of customs barriers between Portugal and Sweden (and the remaining EFTA countries) would now have to be negotiated although the range of their application would be restricted by virtue of the free-trade zone existing between EFTA and the EEC.

5058  
CSO: 3542/217

ECONOMIC

PORTUGAL

LOWER TRADE DEFICIT, LOWER RISE IN EXPORTS

Lisbon O JORNAL in Portuguese 28 Jun-4 Jul 85 p 2-E

[Article by Nicolau Santos: "Export Growth Lowest Since 1983"]

[Text] The trade balance deficit for the first 4 months of this year came to 84.7 million contos; this is the lowest figure recorded during identical periods of time since 1980 according to provisional data supplied by the National Statistics Institute. During those same 4 months, the export growth rate however turned out to be the lowest since 1983.

During the period being analyzed here, the nation's exports grew 34.7 percent, exceeding a figure of 307.7 million contos; imports showed a rise of 5.9 percent and a figure of 392.4 million contos.

Compared to the same period of time last year, exports went up 59.7 percent and imports increased 31.7 percent. The corrected negative balance thus dropped 40.5 percent during the first 4 months of the year whereas in 1984 it went up 2.7 percent.

The coverage balance for imports by exports came to 78.4 percent as against 61.6 percent last year.

Calculations done by the INE [National Statistics Institute] however indicated that in terms of volume (dollars), imports showed a decrease of about 19.8 percent whereas exports rose 1.8 percent, so that the trade deficit suffered a loss of 54.6 percent.

An analysis conducted by the Institute in terms of escudos however shows that the Portuguese export growth rate between January and April of this year was the lowest since 1983 (an increase of 50.7 percent for the first 4 months of this year) while imports showed their smallest increase during the 5-year term; this indicates that the deficit reduction that can be reported here is to a great extent due to the fact that imports were held down as a result of the recession in domestic economic activities.

## EEC: The Other Side of the Positive Balance

As for the OECD--where Portugal's main trading partners are gathered--the negative balance in trade shrank considerably, dropping from 63.7 million contos to only 7.2 million contos (a loss of 88.7 percent).

These results were possible only due to the investment of results achieved from the EEC which rose from a deficit of 226,000 contos to a surplus of 20.6 million contos, thus continuing the trend which began to manifest itself during the last quarter of 1982.

In the meantime it is quite obvious that these results in some way are artificial since the domestic recession led to a drastic reduction in raw materials and machinery as well as equipment imports, with the latter group constituting the most significant portion of Portuguese purchases from the EEC.

This means that the positive balance with the Community and the improvement in the foreign trade balance were achieved at the expense of non-modernization and possibly not even the replacement of the nation's current production equipment inventory, with the best-known exception of sectors geared toward exports.

The good results with the OECD are also possible due to the reduction that has in the meantime been achieved in the deficit with the United States which dropped from 49.2 million contos to 16.7 million contos (a decrease of 66 percent).

As for the EEC, it is also important to point out that Portugal shows a trade deficit with only one country, that is, Italy (6.5 million contos).

Still looking at the area of OECD countries, we note that the negative balance with Spain continues to grow during the first 4 months of 1985, reaching a figure of 14.3 million contos or an increase of 24.3 percent.

## Saudi Arabia: Biggest Deficit

The Portuguese balance of trade however during the period under analysis showed a deficit of 63 million contos with the OPEC countries (more than 8 percent), a positive balance of about 6 million contos with the former colonies, and a surplus with countries running on the basis of a planned economy, amounting to 3.6 million contos.

The improvement in trade with the United States meant that the greatest deficit in Portugal's balance of trade turned out to be with Saudi Arabia (23.4 million contos) followed by Iraq (19.3 million), the United States (16.7 million), Spain (14.3 million), Nigeria (11.2 million), and Japan (8.2 million).

As for the countries of the old escudo zone, we have a reduction in the positive balance for Portugal (from 8.3 million contos to about 6 million contos), primarily due to the import of petroleum products from Angola.

The nation's purchases from Angola as a matter of fact rose from 581,000 contos to 4.7 million; this meant that the balance of trade with that country, although continuing to be positive, declined from 5.6 million contos to 3.2 million.

Looking at Mozambique, we can see a significant reduction in trade (decline in the flow of imports and exports) certainly due to the war situation in that territory and the international payments difficulties which Maputo is facing. The balance is positive for Portugal and is now 823,000 contos, as against 1.8 million between January and April of last year.

As for Cape Verde, the nation's exports however increased greatly, from 670,000 contos to 1.4 million contos (an increase of 100 percent).

Portugal also observed a positive development in its trade with all of the countries that have a planned economy (3.6 million contos as against a deficit of 1 million contos in 1984); this was essentially due to the major increase in Portuguese exports to the Soviet Union which showed an increase of 383 percent (from 1.2 million contos to 5.8 million contos).

#### Textiles: Exports Rose 33.3 Percent

Portuguese textile exports went up 33.3 percent during the period being analyzed, reaching a figure of 86.2 million contos and accounting for 28 percent of the country's total exports.

#### Foreign Trade Exports, 1981-1985 Figures in millions of escudos

January to April	Imports (CIF)	Exports (FOB)	Balance	Coverage Rate (%)
1981 (a)	202,292	78,460	-123,832	38.8
Development (%) 81/80	28.45	-0.18	56.97	
1982 (a)	241,090	94,926	-146,164	39.4
Development (%) 82/81	19.18	20.99	18.03	
1983 (a)	281,570	143,071	-138,499	50.8
Development (%) 83/82	16.79	50.72	- 5.24	
1984 (b)	370,779	228,499	-142,279	61.6
Development (%) 84/83	31.68	59.71	- 2.73	
1985 (b)	392,464	307,776	-84,688	78.4
Development (%) 85/84	5.85	34.69	-40.48	

(a) Final data; (b) Provisional data; Source: INE.



ECONOMIC

PORTUGAL

# STABILITY PROVIDES SECURE ENVIRONMENT FOR FOREIGN INVESTMENT

Lisbon DIARIO DE NOTICIAS in Portuguese 7 Jul 85 p 5

[Text] Portugal is the second safest country in Southern Europe in which to invest, according to the annual report of the Foreign Investment Institute (FII).

The document cites the intercountry investment risk analyses published in the International Country Risk Guide, which rates Portugal as one of the countries in Southern Europe, immediately after Italy, where the risk index with reference to foreign solvency and safety of investment is most favorable.

The report rates countries such as Spain, Greece, Turkey and Yugoslavia behind Portugal.

The conditions of social and political stability that Portugal has enjoyed are the determining factors in that classification. The FII report mentioned that the decline in real wages in 1984 occurred "in a climate of social stability": practically no strikes took place during the year and the unions maintained "an understanding attitude in the face of the reduction of purchasing power."

Direct foreign investment in Portugal reached a record figure of 27.6 million contos in 1984, one-third of which came from the United States, according to the FII activity report.

That figure, which does not include capital increases through the incorporation of reserves from the revaluation of assets, represents an increase of 75.8 percent compared to the same figure in 1983 (15.7 million contos).

In overall terms, the companies in Portugal with foreign capital accounted for two-thirds of direct foreign investment authorized in 1984 and 12 percent of total exports.

The document states that growth of the export activity of the foreign companies intensified substantially in 1984, reaching much higher figures than the previous year and, compared to 1982, representing increases of 70 percent for the American companies, 52 percent for the British and 44 percent for the German companies.

8711

CSO: 3542/219

ECONOMIC

PORTUGAL

# CAPITAL FLIGHT ACCOMPANIED BY CLANDESTINE CAPITAL ENTRY

Lisbon A TARDE in Portuguese 4 Jul 85 pp 12-12

[Excerpt] While the report from the World Bank revealed that, between 1979 and 1982, more than \$1,800 million (about 300 million contos) left Portugal illegally, noting many other "weak points" in the Portuguese economy, Portuguese financial circles told ANOP [Portuguese News Agency] that the clandestine entry of capital over the past 2 years contributed to the drop in the deficit in the current transactions balance which came to \$520 million last year.

The clandestine entry of capital into Portugal over the past 2 years contributed to a decline in the current transactions balance deficit which came to \$520 million in 1984, it was disclosed by Portuguese financial circles.

These same sources indicated that it is not possible to come up with a specific amount concerning the entry of capital but the government estimated that the current transactions balance deficit came to \$1,250 million last year, although it corrected that figure later on to \$700 million.

The reduction in the deficit was normally attributed to the recession in domestic economic activities which produced a drop in investments amounting to 18 percent but domestic financial circles argue that the entry of capital is also very important in this decline.

The capital return movement was helped along basically by the disappearance of expectations for renewed devaluations of the escudo and the decline in speculative movements, resulting from economic policy and, particularly, the exchange policy implemented by the administration.

In June 1983, the government ordered a discrete devaluation of 12 percent, maintaining the devaluation rate at 1 percent per month (the system of crawling-peg), while the inflation level (29.3 percent in 1984) forced the maintenance of high interest rates for asset operations (loans).

The situation last year thus was the opposite of what happened in 1982 when expectations regarding renewed devaluations of the escudo were raised, when credit was cheap, and when underbilling and overbilling movement in foreign trade reached high levels.

The current transactions balance deficit that year came to \$3,200 million and that figure could be placed at less than \$2,000 million if there had not been a high level of capital flight abroad.

#### Capital Flight Came to 3,000 Million Contos

A World Bank report on world growth estimates that during the period of 1979-1982 more than \$1,800 million (about 300 million contos) left the country illegally, in other words, 20.9 percent of the capital entry flow recorded during the same period of time (\$8,600 million, more than 1,400 million contos).

Sectors connected with foreign trade and tourist activity are the ones where capital flight is easiest, in the first case through the overbilling of imports and, in the second case, through the coverage of services rendered in amounts less than those actually paid.

An official study admits that about 20 percent of the results obtained by domestic exports do not manage to enter the country and are placed abroad in the form of deposits or use in international banking.

Portugal is considered to be one of the countries where there is an accentuated capital flight, just like Venezuela, Argentina, Mexico, Uruguay, Brazil, Turkey, and South Korea.

#### World Bank Loans 2,500 Million Contos

The loans given by the World Bank came to \$14,400 million (2,500 million contos) during the fiscal year ending on 31 June, a spokesman of that institution revealed.

The World Bank, the biggest international source of aid for poor countries, also announced three loans for Yugoslavia to increase the production of natural gas.

The International Development Association, which is under the World Bank, this year granted \$3,000 million (510 million contos) in additional funds for the poorest countries with rather low interest rates, to be repaid in 50 years. On the other hand, the World Bank report just disclosed notes that it is possible to achieve economic growth with low inflation and financial stability which would mean that finance capital could play its productive role in economic growth.

The policy choices made by governments, both of the industrialized countries and the developing countries, will to a great extent determine whether the world economy will achieve faster and more stable growth and whether the financial credibility of each group of developing countries will improve, the study added.

30 August 1985

ECONOMIC

PORTUGAL

## BRIEFS

UNEMPLOYMENT PAYMENTS--More than 75 percent of the unemployed registered in April in employment offices throughout the country were not receiving unemployment compensation, it was revealed by an Employment and Professional Training Institute document. This April only 24.3 percent of the 337,104 unemployed registered in employment offices were receiving unemployment benefits, while 75.7 percent were not. On the same month last year, only 24.4 percent of the 296,443 registered unemployed received compensation, which means that the rate remains practically the same as in April 1984. The document reveals there is an increase in unemployment in the districts of Lisbon, Porto and Setubal, which together contain 44.4 percent of the country's unemployed. In 1984 those districts held 40.7 percent of the unemployed. Male unemployment in April grew by 2.1 percent and female unemployment grew .4 percent by comparison with the previous month. By comparison with March, the candidates for new jobs or unemployment increased 1.2 percent and those seeking employment for the first time increased 2.2 percent. The document reveals that job offers declined from 4327 to 3512 by comparison with March (down 1.9 percent). With respect to April 1984, job offers declined 18.8 percent. [Text] [Lisbon SEMANARIO in Portuguese 6 Jul 85 p XI] 8908

POLL SHOWS PS LEADS--If legislative elections were to be held now, the PS [Socialist Party] would be in first place with 26.2 percent of the votes and the Eanist party (PRD [Democratic Renewal Party] would have 14.2 percent, according to an Euroespansao poll. The PSD [Social Democratic Party] would run second with 24.7 percent; followed by the APU [United Peoples Alliance] with 18.7 and the CDS [Social Democratic Center Party] with 14.6 percent. The rate of abstentions is 23.8 percent and the small parties would receive 1.6 percent of the votes. The poll was carried out in 1200 direct interviews randomly selected taking into account in the classifications of the sample the region, place of residence, socioeconomic development, sociopolitical status, age, sex and the way they voted in 1983. Field work was done between 11 and 26 June. According to Euroexpansao, maximum margin of error overall is 2.8 percent. Voting intentions in percentages follows: Abtention, 23.8; APU, 18.7; CDS, 14.6; PS, 26.2; PRD (Eanist party), 14.2; PSD, 24.7; others, 1.6. [Text] [Lisbon SEMANARIO in Portuguese 6 Jul 85 p 64] 8908

SAVINGS HIGH, INVESTMENT LOW--The savings of the Portuguese people are high but investments are among the lowest in the world according to Diogo de Campos, a professor at the Coimbra Law School. The savings of Portuguese families average 23 percent it was noted by the coordinator of the seminar on "Investment Funds" held yesterday in Oeiras; he remarked that "Only 3 percent of that amount is investment whereas about 20 percent are channeled to the banks and placed in term deposits." "The result of this attitude on the part of money suppliers prevents the country from growing because there are no investments," he added. In the view of Diogo de Campos, the solution for Portugal resides in the establishment of investment companies which, similar to what is being done in other foreign countries, would channel the savings of private individuals toward investments in the stock exchange, through the purchase of stocks and obligations, and in real estate projects, thus providing impetus for the civil engineering and housing construction industry. The saving index of the Portuguese people is one of the highest in the world, in other words, 23 percent; it is double the United States index (11 percent) and it is higher than the Japanese index (19 percent). "Portugal has institutions for gathering the savings of private individuals and distributing them," Diogo de Campos pointed out, but "It does not have institutions for investing them." [Excerpts] [Lisbon O PRIMEIRO DE JANEIRO in Portuguese 3 Jul 85 p 5] 5058

CSO: 3542/216



ECONOMIC

TURKEY

## IMPLICATIONS OF NEW ECONOMIC MOVES DISCUSSED

Istanbul CUMHURIYET in Turkish 29 Jun 85 pp 1, 6

[Article by Enis Berberoglu: "Meaning of Operation"]

[Text] Ankara - The interest and foreign exchange operation announced the day Prime Minister Turgut Ozal set out on his China trip is aimed at "reining in" inflation by creating changes in the economic expectations of various sectors ranging from the banks to industrialists, from savers to exporters.

The possible effects on these sectors of the new package of measures may be enumerated as follows:

1--Help for banks: The reduction of the interest rate on two-thirds of the deposits they hold for savers gives the banks relief from the standpoint of cost. Moreover, by assigning the most attractive interest to 6-month accounts, it is made possible for the banks to have more time to utilize available funds.

2--Hope for industrialists: The reduction by means of the interest operation in bank costs is a ray of hope for the industrial sector which has been complaining of the high cost of credit running in parallel with the high deposit interest policy. Despite the increase of deposits to 2.6 trillion liras in the past 1.5 years, industrialists have had only around 500 billion liras available for credit, and the possibility of cheaper financing for them is among the Central Bank's expectations from the operation.

3--Possible incentive for exports: In lifting direct Central Bank oversight over the foreign exchange transactions of commercial banks, the climate of competition that may be stimulated among those institutions will help exporters. There has been an ongoing search for solutions to the dip in the export graph since the first of the year as a result of the graduated discontinuation of tax rebates during 1984. Banks may offer better prices than their competitors for the foreign exchange of their "good" exporting customers and this would be a new element of incentive.

4--Another step toward convertibility: It is stressed that allowing the banks the freedom to set their foreign exchange purchase and sale prices is an important step toward convertibility, which means that the Turkish lira finds its value freely on the domestic and foreign markets, one of the government's medium-term goals.

5--Perhaps a change in inflation policy: Granting the highest interest to the short-term in the 19 December 1983 interest edict was the source of expectations that inflation would be drawn down in the short term. Placing the interest ceiling on 6-month accounts in the new interest system is being interpreted as giving up on the "interest shock" method of treatment for inflation.

6--What changes for savers: The annually compounded interest on 3-month accounts at the old rates allowed savers to earn 56.90 liras for every 100 liras. The investor who put 100 liras into a 6-month account earned 52.20 liras, and the interest earnings for those who chose the 1-year account was 40.50 liras.

At the new interest rates, those who keep 3-month accounts for 1 year will earn 50.70 liras for each 100 liras through compounded interest. One-year accounts will earn 50.40 liras on 100 liras. The most attractive yield, though, has gone to the 6-month type of account. Those who hold 6-month accounts for 1 year will have an interest earning of 52.20 liras on 100 liras.

8349

CSO: 3554/141

ECONOMIC

TURKEY

## OZAL ANNOUNCES THREE ECONOMIC CHANGES

Istanbul CUMHURİYET in Turkish 29 Jun 85 pp 1, 6

[Text] Ankara (CUMHURİYET BUREAU) - The Ozal government announced in a surprise move three economic decisions. Accordingly, to give the banks relief, interest rates on 1-year deposits are increased. While 3-month interest is reduced from 53 percent to 48 percent, 6-month interest remains at its former rate of 52 percent. The highest rate available to individuals is on accounts of this type, though the 1-year rate was raised from 45 percent to 56 percent. The annual interest ceiling available to savers was reduced by the new interest rates from 56.9 percent to 52.2 percent.

Second, foreign exchange rates were deregulated. The goal in this is to encourage exports. At the same time, by pushing the banks that are feeling the need for new foreign exchange resources into a climate of free competition, an important step has been taken towards convertibility. And third, the ANAP [Motherland Party] government has raised the price of petroleum products for the fourteenth time since it took office. Under the new price hike, regular gasoline goes up 4.7 percent a liter, super gasoline 5 percent, kerosene and diesel fuel 6 percent, No 6 fuel oil 5.5 percent and the 12-kilogram size bottled gas 6 percent.

According to the announcement issued by the Central Bank assembly, the first of the decisions, being published in the RESMI GAZETE today and to go into effect on 1 July, has to do with the Central Bank's no longer publishing a basic exchange rate. According to the practice that has been in effect since 1 January 1984, the Central Bank published a daily exchange rate in U.S. dollars. The banks then set the price for their foreign exchange transactions at 6 percent above or below this basic rate. Banks' effective prices could be 8 percent above or below this basic rate. In this way, the Central Bank exercised direct oversight over the commercial banks' foreign exchange and effective buy and sell prices.

The banks have gained the right to be free to set the exchange rate for their own transactions when the Central Bank ceases to publish the basic rate under the new regulations.

From now on the buy and sell rates that the Central Bank publishes will concern only its own transactions. It was emphasized that by pushing the banks having a foreign exchange surplus or needing new foreign exchange resources into the climate of "free competition," Prime Minister Turgut Ozal's government has taken an important step towards convertibility.

## Interest Changes

The rationale for the 19 December 1983 interest edict which the Ozal government promulgated without waiting for a vote of confidence in December 1983 when it took office was announced as "short-term high interest in a valiant struggle with inflation."

The Central Bank's assessment of the interest rates that have been raised twice since promulgation of the edict without giving up the principle of high interest on short-term transactions follows:

"A 2.6 trillion-lira increase has been seen in total deposits since the end of 1983. However, this increase has led to a great change in the term structure of deposits. As a result of paying the highest interest on 3-month deposits, savings have concentrated in this category, and nearly 60 percent of all deposits and 90 percent of time deposits consist of 3-month deposits. This shrinkage in the average term structure of deposits has been observed to have the effect of increasing the general liquidity (cash) and demand in the economy, and the conclusion has been reached that this development has begun to contradict the requirements of the tight-money policy."

The Central Bank's assessment, which may be interpreted as saying that interest income entering the marketplace in 3-month intervals would stimulate inflation, in fact expresses this concern as follows:

"Having reached the conclusion that, especially at a time when real economic activities are outstripping expectations and in a period when emissions are in a seasonally rising trend as a result of rising foreign exchange inputs, increased general liquidity stemming from the term structure of deposits may cause the economy to overheat and, therefore, create inflationary pressures, our bank assembly has decided to change deposit interest rates for the purpose of bringing about a change in the term structure of deposits."

The new interest rates to go into effect on 1 July 1985 and the present rates are:

Type of Deposit	Old Rate (%)	New Rate (%)
3-month	53	48
6-month	52	52
1-year	45	56

The Central Bank further decided that interest rates would be reviewed monthly from now on.

## 14th Petroleum Price Hike

The Ozal government yesterday announced its fourteenth price hike since it took office and the third since the beginning of the year. Petroleum products prices are going up at rates ranging from 4.7 percent to 6.1 percent. Gasoline will be 251 liras a liter.

Since the increase is higher than 3 percent, dealers must make inventory reports.

The American dollar has risen 4.3 percent higher against the Turkish lira in the 55 days since the last price hike on 1 May 1985. The price hike decision is understood to have been adopted at the Council of Ministers meeting the day before Prime Minister Ozal's China trip, which he began yesterday, though the figures were assigned yesterday.

With the new petroleum product increase, price increases on electricity, cement and petro-chemical products again become an issue.

The new price increase means that the Ozal government has raised prices on petroleum products between 96 percent and 105 percent since 26 December 1983 when it took office. The last increase on 1 May was around 9 percent.

#### New Oil Prices

Product	Price
	Turkish Liras
Super gasoline	270
Regular gasoline	251
Kerosene, diesel fuel	175
No 6 fuel oil	115
Bottled gas (12 kg)	2,500

8349

CSO: 3554/141



ECONOMIC

TURKEY

#### TURK-IS ON UNCOMPLETED LABOR CONTRACTS

Istanbul MILLIYET in Turkish 29 Jun 85 p 9

[Text] Ankara, ANATOLIAN AGENCY - The second TURK-IS [Turkish Confederation of Labor] labor conference will be held on Wednesday, 31 July, at the Samsun TURK-IS Educational Facility.

"Workers at the tea enterprise, the sugar factories, the railroads, highways and DSI [State Hydraulic Affairs Directorate General] have not resolved the disagreement in their collective bargaining," said TURK-IS President Sevket Yilmaz, adding, "There is not a single person in the government at the moment who wants to find a solution to the labor squeeze."

At the labor conference in Samsun, Black Sea area workers and labor representatives will hear explanations of the "government's approach to labor and the trends exhibited in solving workers' problems."

TURK-IS President Sevket Yilmaz, in announcing the conference, said they would continue their struggle with the government for solving labor problems. Yilmaz said:

"The government virtually does not wish to look at the deadlocks in the collective labor agreements of the nearly 225,000 workers employed in tea, sugar, railroads, highways and the DSI. We have seen numerous examples before of the inability to achieve anything with this mentality. We will continue our struggle, making no concessions, until our problems are solved."

#### Late Decision

TURK-IS President Sevket Yilmaz said it would not be right in setting the minimum wage to exclude the labor unions and employers. He described the meeting of the Minimum Wage Setting Commission called by Labor and Social Security Minister Mustafa Kalemli for September as a "late decision."

TURK-IS General Secretary Sadik Side said, "We at TURK-IS are trying to remember our manners in spite of all the set-backs and hardships. If things continue this way, we may lose the initiative and control will be out of our hands."

Side called a meeting of the Eskisehir local president and officers at the Railroad Workers Union auditorium and, in a speech about labor problems, said:

"People speaking on behalf of the government are going around to different places making fun of the minimum wage. I do not believe they have said anything in favor of the minimum wage; this in our country where 620,000 people make minimum wage. This is the first time in our 65 years of democratic life that the minimum wage has been ridiculed like this. This is the first time we have experienced such callousness."

8349

CSO: 3554/135

ECONOMIC

TURKEY

## CENTRAL BANK ADJUSTS INTEREST RATES

Istanbul MILLIYET in Turkish 29 Jun 85 p 8

[Text] Ankara, Special - The Central Bank, in two important decisions, has done an about face and changed deposit interest rates and also deregulated foreign exchange rates on the domestic market.

### Interest Rates

The new interest rates, to become effective 1 July, will raise the rate on 1-year deposits from 45 percent to 56 percent and reduce the rate on 3-month deposits from 53 percent to 48 percent. The rate on 6-month deposits is retained at 52 percent and on demand deposits, at 5 percent.

According to the new interest rates set by the Central Bank, annual deposit interest will be (percentage):

New			Old		
		(Cumulative)			(Cumulative)
Term	Gross	Net	Term	Gross	Net
1 year	56	50.4	1 year	45	40.5
6 months	52	52.3	6 months	52	52.3
3 months	48	50.7	3 months	53	56.9

### Reason for Change

The Central Bank offered inflationary pressures as the rationale for reducing interest rates on short-term deposits. High interest on 3-month deposits has "the effect of raising the general liquidity in the economy and nominal demand" and "this development is contradictory to the demands of the tight money policy," it is pointed out.

However, anticipating as high an interest rate as 56 percent on 1-year deposits indicates that the government has given up hope of reducing inflation and is admitting that inflation will approach this rate in the year ahead.

This about-face on interest rates is expected to carry over to credit interest as well. Also, interest rates on Bosphorus Bridge shares have gone higher than 3-month and 6-month deposit rates following this adjustment.

## Foreign Exchange Rate Deregulation

The Central Bank's Bank Assembly, in another decision, lifted all restriction on banks' setting foreign exchange rates. Accordingly, the Central Bank will set the foreign exchange buy and sell rates that it will apply in its own transactions, but no basic rate will be published to serve as the basis for banks to set their rates. Banks will be free to set the buy and sell rates they use in their own transactions. Ever since the start of 1984, banks have set their foreign exchange and effective buy and sell rates according to a "basic rate" set and published daily by the Central Bank, not going 6 percent above or below this basic rate for foreign exchange transactions or 8 percent above or below for effectives. These limits have now been lifted.

Deregulation of foreign exchange rates on the domestic market has been described as a step towards convertibility. To achieve full convertibility, the same freedom must be granted on the foreign market. However, the Central Bank will continue to announce its foreign rates. Only domestic banks will be free to set their own buy and sell prices for foreign exchange.

These decisions adopted by the Central Bank will begin implementation as of Monday, 1 July.

8349

CSO: 3554/136

ECONOMIC

TURKEY

# IRANIAN AMBASSADOR ON PIPELINE, TURKISH CONTRACTORS

Istanbul MILLI GAZETE in Turkish 30 Jun 85 p 5

[Text] Ankara - Iran's Ankara Ambassador Mohammad Ganjidust said that feasibility studies for the petroleum and natural gas pipelines had begun, but that these studies could not be completed "in the short term."

Ambassador Ganjidust, who has been Ankara ambassador since 1982 and is preparing to return home having completed his tour, said in an interview with an ANKARA AGENCY correspondent that he considered "Turkey his home" and stressed the fact that relations had flourished in all areas.

Indicating that "an economical way" was being sought for laying the pipeline, Ganjidust noted that each country usually handles construction of the portion on its own soil. He pointed out that, owing to the harsh geography of the region, Iran was seeking "the most economical and appropriate line" for its line to Turkey and that work would be extended for this reason. "Nevertheless, I hope the pipeline, on which the feasibility studies are seriously in progress, will have positive results," he said.

Ganjidust said they had high hopes for the "Economic Cooperation Organization" [ECO] formed to replace the RCD, adding, "We believe the ECO will realize the cooperation we were hoping for."

In response to a question, Ganjidust said that the war has had a negative effect in all areas, including the economy, but that they were "striving to reduce to a minimum" the difficulties in their relations with Turkey. The Iranian ambassador said they did not need to go outside for contracting services because there are many Iranian firms but "when contracting with foreigners, absolutely prefer Turkey."

Soon to turn over his post as Ankara ambassador to Muctehir Muttekit [spelled as published], Ganjidust pointed out that he was leaving Turkey with very happy feelings and had been warmly welcomed while here. "I consider the Turks virtually my own people," he said.

8349

CSO: 3554/135



ECONOMIC

TURKEY

#### BORDER TRADE AS SMUGGLING PREVENTIVE

Istanbul MILLI GAZETE in Turkish 30 Jun 85 p 3

[Text] Ankara - The border trade, on which the government has pinned its hopes as a smuggling preventive, still has not begun despite all the efforts.

Hatay Governor Sami Oytur, Agri Governor Kutlu Aktas and Mardin Governor Alaattin Turhan, in interviews with a NPA [NATIONAL PRESS AGENCY] correspondent, said that border trade had not yet begun in their provinces. "If the regulations are enforced carefully, border trade will prevent smuggling," they said. Agri Governor Kutlu Aktas pointed out that they were waiting for Iran's concurrence for the border trade, while Mardin Governor Alaattin Turhan said that Syria had prohibited it. The governors told NPA :

Hatay Governor Sami Oytun: "Border trade still has not begun in our province. But I believe that when border trade begins, smuggling will be prevented to an extent, because smuggling is an economic problem."

Agri Governor Kutlu Aktas: "We are waiting for border trade to begin. We have issued permits to 120 persons so far. There are great advantages to free trade, and I believe that when it begins smuggling will be significantly reduced."

Mardin Governor Alaattin Turhan: "Border trade is deemed a legitimate institution of the state. It was devised, at any rate, to prevent some of the smuggling. My view is that, if the regulations are applied carefully, smuggling will be prevented. Border trade has not yet begun in our province, but we had a trial run for a while at the Habur Border Gate. However, it was discontinued because Syria was not interested and banned it. We plan to make the necessary initiatives and begin as soon as possible."

#### What is Border Trade

The directive published in the RESMI GAZETE on 21 February 1985 allows corporations and individuals to trade across the borders provided the amount does not exceed \$10,000 in Turkish liras. No import and export documentation is required in border trade transactions, according to the directive.

8349

CSO: 3554/136

ECONOMIC

TURKEY

BRIEFS

MEETING WITH QADHDHAFI--Minister of Industry and Commerce Cahit Aral went to Libya yesterday for official talks. The delegation headed by Industry and Commerce Minister Aral and traveling at the invitation of the Libyan government includes representatives of the private sector as well as prime ministerial advisor Adnan Kahveci. Aral is to be received during the visit by Libyan Chief of State Muammar Qadhdhafi. The talks are to cover the trade imbalance between the two countries and the money due Turkish contractors, which is expected to be attached to a specific schedule. Aral will present to Qadhdhafi a message from Prime Minister Ozal suggesting a solution to the economic problems. The Turkish delegation headed by Industry and Commerce Minister Aral will return to Turkey on Friday.  
[ANKARA AGENCY] [Text] [Istanbul CUMHURIYET in Turkish 26 Jun 85 p 9] 8349

CSO: 3554/141

ENERGY

GREECE

# INCREASED ELECTRICITY PRODUCTION FROM LIGNITE REPORTED

Athens | KATHIMERINI in Greek 25 Jul 85 p 9

/Text/ According to an announcement yesterday by Energy and Natural Resources /YEFP/ Minister A. Verydakis, during the first 6 months of 1985 the electric production of the Public Power Corporation /DEI/ lignite stations increased by 20 percent compared to the corresponding 1984 period.

This increase is due to two new units--Agios Dimitrios I and Agios Dimitrios II which have a total capacity of 600 mw and which went into operation during the above period. It was also stated that DEI electric production will continue to increase with the addition during the 1985-1986 2-year period of five lignite and five hydroelectric stations having a total capacity of 1943 mw. Thus, the total capacity of the system will be increased by 34 percent.

Minister Verydakis said that the participation of the lignites to the total load of the system increased the total lignite use to 65 percent compared to 55 percent during the corresponding 1984 period, while the participation of oil marked a slight decrease just as the participation of the hydroelectric stations decreased from 13 to 10.5 percent due to the low water potential capacity.

On the other hand, the purchase of electric energy from other countries dropped by 70 percent and now correspond to only 3 percent of the total load compared to 10 percent in 1984. It was stated that this development is due to the small consumption increase which reached only 1.5 percent compared to last year. Also, the oil purchases this year will reach 3 billion drachmas compared to 10 billion drachmas in 1984.

Verydakis finally said that the inauguration of Unit I of the Sfikia hydroelectric station (105 mw) will take place by 15 August and that Unit II of the Asomatos station (54 mw) will be inaugurated within 1985.

## The Reserves in Drama

It was established that in the Drama Nome the lignite reserves reach 500 tons. In that nome the Institute for Geological and Mineral Research /IGME/ is carrying out drillings on behalf of YEFP and on the basis of a public investments' program.

Verydakis announced yesterday that the IGME crews will undertake 6 more general drillings at distances of every 1,000 meters and 50 more for network combining. The financing of the projects will be made by DEI to which the YEFP assigned the drillings in the Drama Nome over an area of 146,108 stremmas. Following completion of the DEI project a technical/economic study will be submitted concerning the exploitation of the lignite deposits which Minister Verydakis said are very important if one takes into account that the total reserves in the Megalopolis area reach 425 million tons.

7520

CS0: 3521/316

30 August 1985

## ENERGY

## GREECE

## FUEL IMPORTS, EXPENDITURES INCREASED

Athens | KATHIMERINI in Greek 27 Jul 85 p 7

/Excerpt/ Following a statement by Minister Verydakis that the fuel deficit during the first 6 months of 1985 reached 20 billion drachmas, the Ministry of Energy and Natural Resources /YEFP/ gave the following data for 1984:

The needs of the local market in processed fuel products reached 9,155,615 metric tons. These needs for local consumption were covered by a) the Greek Refineries /ELDA/ (5,108,823 m.t.) and b) EKO /expansion unknown/ (2,160,300 m.t.) or a total of 7,269,523 metric tons.

Total quantities provided to the domestic market for exports, etc., reached 9,889,492 metric tons.

## Fuel Supplies

a. Interstate agreements: By authorization of the Ministry of National Economy /YPETHO/ the ELDA signed the following agreements with other states (in metric tons): 1. Iraq, 1,000,000; 2. Algeria, 650,000, Algeria, 260,000; 3. Soviet Union, 1,800,000; 4. Libya, 650,000, Libya, 250,000; 5. Saudi Arabia, 1,500,000; 6. Kuwait, 300,000; 7. Iran, 500,000, Iran, 500,000. Total 7,710,000 metric tons.

Total imports (deliveries) of various qualities of crude oil as a result of the above agreements as well as of some of the previous years, totaled 7,310,060 metric tons.

b. Spot purchases: As in the previous financial year the market opportunities were exploited. Smaller prices were achieved (compared to those of the interstate agreements as well as to those corresponding on the day of the spot purchases). The spot purchase quantities totaled 544,682 metric tons.

c. "Prinos" crude oil: The quantity purchased from the Northern Aegean Co., which exploits the Thasos deposits, reached 667,281 metric tons.

The total quantity of crude oil purchased was 8,522,023 metric tons.



## Products

The purchased processed fuel products (mentioned in a) and b) above) covered the needs of the domestic market. Their quantity was determined by the deficits of the Greek refineries. Of a total of 1,886,157 metric tons, 1,709,611 metric tons represent ELDA procurements while the rest was procured by the YPETHO and YEFP Ministries.

ELDA procured the above quantities at prices determined after public bidding and on the basis of special agreements and contracts. The price levels fluctuated depending on the time the purchases were made.

## State Refineries.

1. In 1984 ELDA received for refining 5,904,978 m.t. of crude oil. It refined 5,644,770 m.t.
2. In 1984 the Salonica refinery received 2,616,698 m.t. of crude oil and it processed 2,522,522 m.t.

With the products delivered to the domestic market the two refineries covered 79.4 percent of the country's needs while the rest was covered by imports. Specifically, ELDA covered 55.8 percent of the needs and the Salonica refinery 23.6 percent.

7520

CSO: 3521/316

ENERGY

GREECE

BRIEFS

POOR EXPLOITATION OF WATERFALL POTENTIAL--Only 20 percent of the economically exploitable waterfall potential of the country is utilized for producing energy while the delay in developing the Public Power Corporation /DEI/ lignite mines necessitates the use of more and more quantities of imported coal and electric energy, according to DEI's spokesman. As a result of the repeated DEI and government pronouncements for the need to utilize the local sources of energy, the DEI Society of Engineers pointed out that the new 10-year DEI development program provides only for the exploitation of only 30 percent of the economically exploitable waterfall potential of the country at a time when, according to scientific studies, there is a possibility of exploiting 60 percent of this potential in 15 years. On the basis of DEI 10-year specifications, 50 years will be needed to reach the above target which has already been met by other neighboring countries. /Text/ /Athens  
I KATHIMERINI in Greek 19 Jul 85 p 77 7520

ENERGY IMPORTS FROM YUGOSLAVIA--According to a report by the Greek Embassy attache in Belgrade, the imports of electric energy from Yugoslavia in 1984 reached 37.2 million dollars or 35 percent of the total imports from that country. On the contrary, Greek exports to Yugoslavia remain standard compared to 1983, but at smaller levels than in previous years. Specifically, Greek exports to Yugoslavia last year dropped to 64 million dollars compared to 63 and 119 million dollars in 1983 and 1982, respectively. By contrast, imports from Yugoslavia in 1984 increased to 104 million dollars compared to 73 and 76 million dollars in 1983 and 1982, respectively. Imports of electric energy from Yugoslavia (37.2 million) ranks first among imports from that country, followed by livestock and meats (15.7 million dollars). /Text/ /Athens MESIMVRINI in Greek 15 Jul 85 p 157 7520

CSO: 3521/309

END

**END OF**

**FICHE**

**DATE FILMED**

September 13, 1985